United States
of America

Congressional Record

PROCEEDINGS AND DEBATES OF THE 97th CONGRESS, SECOND SESSION

SENATE—*Tuesday, July 20, 1982*

(Legislative day of Monday, July 12, 1982)

The Senate met at 10 a.m., on the expiration of the recess, and was called to order by the President pro tempore (Mr. THURMOND).

The PRESIDENT pro tempore. The opening prayer this morning will be offered by the Reverend Barbara Trombley Fitterer, of the Episcopal Diocese of California, San Francisco, Calif. She is sponsored by Senator SLADE GORTON.

PRAYER

The Reverend Barbara Trombley Fitterer offered the following prayer:

Almighty Father, by whose grace we till and plant a vineyard of hope for things we do not see, graft in us patience to work for Your eternal purpose in the small tasks and large decisions of this day.

We humbly pray for our Senators and all those in authority, and we ask Your blessing upon their deliberations. Nourish the ordering of their individual lives that in their collective actions they may produce a harvest of righteousness.

In times of prosperity, fill their hearts with thankfulness and in days of trouble do not permit their trust in You to fail. Through all the seasons of their lives, lift them with Your transcendent and transforming power that our Nation may be strengthened and preserved. Amen.

RECOGNITION OF THE MAJORITY LEADER

The PRESIDENT pro tempore. The majority leader is recognized.

THE JOURNAL

Mr. BAKER. Mr. President, I ask unanimous consent that the Journal of the proceedings of the Senate be approved to date.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. BAKER. Mr. President, this morning after the recognition of the two leaders under the standing order, there is a special order in favor of the distinguished Senator from Georgia (Mr. NUNN), to be followed by a period for the transaction of routine morning business in which Senators may speak for not more than 3 minutes each.

At 10:30 a.m. today, pursuant to the order entered on yesterday, the Senate will resume consideration of H.R. 4961, the bill reported by the Finance Committee of the Senate in obedience to the reconciliation instruction incorporated in the budget resolution.

The Senate will stand in recess today from 12 noon until 2 p.m. in order to accommodate the requirement for caucuses on both sides of the aisle.

At 2 p.m. the Senate will resume debate on H.R. 4961. It is anticipated the Senate will be in session until approximately 6 p.m. or shortly thereafter. It is the hope of the leadership, Mr. President, that the Senate can complete debate on H.R. 4961 during the day on tomorrow. If not, the Senate will continue that debate on Thursday. There is a 20-hour cap on this measure, according to statutes affecting this bill.

TRIBUTE TO THE REVEREND BARBARA TROMBLEY FITTERER

Mr. BAKER. Mr. President, I want to take this opportunity to commend and thank the Reverend Barbara Trombley Fitterer of the Episcopal Diocese of California in San Francisco, for the beautiful prayer that she offered this morning.

Reverend Fitterer is the first woman to pray in both the House of Representatives and the Senate, and I want her to know that we are all very proud of her historic accomplishment.

An ordained priest in the Episcopal Church since 1979, Reverend Fitterer was awarded a master's degree in divinity (magna cum laude) from Wesley Theological Seminary, Washington, D.C. She then served as interim curate of the Parish of St. John the Evangelist, an active parish of 1,200 communicants in Hingham, Mass., before moving to California in 1980.

Before entering the ministry, Reverend Fitterer had a successful career as publishing consultant and English instructor. She was manager of the Washington, D.C. office of Houghton Mifflin Publishing Co. from 1976-79, and served as a Presidential Exchange Fellow in the U.S. Department of Commerce in 1975.

Reverend Fitterer has also served as national consultant for Houghton Mifflin American Heritage Dictionary and English instructor at the University of Rochester in New York. She received a master's degree in English literature in 1967.

Mr. President, I have no further need for my time under the standing order. I am prepared to yield it to any Senator seeking recognition. I see none. I will ask the minority leader if he has any need for it.

Mr. ROBERT C. BYRD. I thank the majority leader.

RECOGNITION OF THE MINORITY LEADER

The PRESIDENT pro tempore. The minority leader is recognized.

Mr. ROBERT C. BYRD. Mr. President, I yield such time from my order to Senator PROXMIRE as he may desire.

Mr. PROXMIRE. I thank the minority leader.

LIFE AFTER THE BOMB

Mr. PROXMIRE. Mr. President, this morning I continue my report to the Senate on the virtual concession by our Federal Government that in the event of a nuclear war with the Soviet Union, it would truly be a pitiful, helpless giant, unable to function in providing the most essential and basic services for our people. This morning I call attention to an excerpt from the Ed Zuckerman article in the March Esquire magazine that highlights this total absence of confidence that the Federal Government could really even

make a pass at national continuity and survival once the bomb drops.

I ask unanimous consent that the excerpt be printed in the RECORD at this point.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

LIFE AFTER THE BOMB

Investigation reveals that some federal agencies are apparently dragging their heels on fulfilling their post-nuclear attack responsibilities. Repeated calls to the SEC, for example, yielded no hard information as to how the stock market would function after a nuclear war. And some agencies' plans have long been out-of-date. Executive Order 11490 commands the Public Health Service to plan for "sanitary aspects of disposal of the dead," but the PHS, when queried, could produce nothing more recent than a 1956 civil-defense pamphlet with the twenty-five-year-old (but probably still applicable) advice: "If conditions permit, mechanically dug continuous trenches offer the best solution to the burial problem. If the machines available are capable only of digging narrow trenches, bodies can be placed head to foot instead of side by side."

A survey of other key agencies, however, finds several that are as well prepared as is the Postal Service. The Department of Housing and Urban Development has recently revised its manuals on the postattack housing problem. They now include procedures for requisitioning private homes "whose owners have disappeared." One manual also discusses how to establish, for all postattack emergency housing, firm rent guidelines (rents "will conform to the rental schedules . . . for comparable accommodations"), tenant priorities (refugees get preference), and grounds for eviction (nonpayment of rent shall be considered one "unless in the judgment of the Housing Manager or Managing Agent the failure to pay is due to causes beyond the control of the occupant"). In addition, the manual specifies that the rental of private housing taken over after owners have vanished shall be on a month-by-month basis only and that "renters of such housing will be required to vacate within 30 days if the legal owner appears and requires the property."

The Department of Agriculture has made equally detailed plans for good rationing after a nuclear attack. Every surviving American will receive a weekly allotment of six eggs, four pounds of cereals, two pounds of frozen fruits and vegetables, one-half pound of fats and oils, two pounds of potatoes, one-half pound of sweets, and three pounds of meat. "That's about two thousand to twenty-five hundred calories per person per day," said Harold Gay, a Department of Agriculture emergency planner, "about two thirds of normal caloric input right now, if you could have something from every grouping."

But could you actually have something from every grouping, or any grouping, for that matter?

"Just because you have fallout on a crop doesn't mean it's not safe to eat," Gay pointed out. "Fallout is dust. It can be removed by normal washing, peeling, and so on. If it's mixed in with the actual food product, then you would store it. Radioactivity decays. Milk, for example, is very susceptible to radioactivity. You can't hold the milk until the radioactivity decays, but you can process it into cheese and store the cheese."

But would society still be functioning when that radioactive cheese cooled off?

FEMA says there's no reason it couldn't be. No fewer than 369 "postattack recovery studies" are available in FEMA's research library, states a 370th, and "years of research have failed to reveal any single factor that would preclude recovery from nuclear attack." As for individuals, the study continues, those who survive the blast, heat, and short-term radioactivity will face no greater risk of dying from cancer than does, for example, someone who has smoked a pack of cigarettes a day for two years. As for fears about long-term, catastrophic effects on the nation's ecology, the study concludes, "No nuclear attack which is at all probable could induce gross changes in the balance of nature that approach in type or degree the ones that human civilization has already inflicted on the environment," such as "cutting most of the original forests, tilling the praires, irrigating the deserts . . . and even preventing forest fires."

A number of scientists (not to mention Smokey the Bear) would contest that view, and doomsayers have conditioned the public to expect much worse. But no serious critic of nuclear war, no matter how pessimistic, has denied that millions of people would survive one, which allows FEMA's William Baird to make his essential point.

"The survivors will try to continue to survive," Baird said, leaning forward on his couch. "And what happens to them? Do they break up into tribes, or do they try to operate as a nation? Someone has to direct things for the common good. Otherwise, it will be dog-eat-dog, which we don't want to see. There's got to be law and order, and everything else."

AMERICA STANDS ALONE

Mr. PROXMIRE. Mr. President, the United States trails far behind the other nations of the free world in endorsing the Genocide Convention of 1948. Great Britain ratified it 12 years ago. West Germany ratified it 28 years ago. Canada did so 30 years ago. France and Israel, 32 years ago. Today, America stands apart from its closest allies in its silence on the Genocide Treaty. The world turns its eyes and ears to us for moral leadership and resolve, and we respond with hesitation, wavering, and baseless anxiety.

Now our solitude, in and of itself, does not necessarily mean that we are wrong. Even if the entire world opposes us, there is absolutely no loneliness in dissenting as long as right is on our side. But sometimes America has stood stubbornly on the wrong side. That is precisely where we stand today on the Genocide Treaty.

When isolated from our allies, and from the better part of the world community, we need not follow the crowd. But when our friends agree that we are mistaken, it is time for us to take a very close look at our position. Friends and foes alike have joined in a broad consensus, but we stand aloof. This calls for a careful examination of our stance, to discover why we fear what so many others do not fear. The other advanced nations of the West were not convinced by the fanciful arguments of those doomsayers who oppose the Genocide Treaty. Why are we so frightened by an accord that has done no harm to any of our fellow democracies? Why are we alone unnerved by the nightmares produced by the fallacious reasoning of treaty opponents?

The accusations of these critics hardly needs any new refutation. As I have tried to demonstrate on countless other occasions, the Senate is stymied by a paranoia completely unfounded in the realities of international law. The treaty's detractors would have you believe that the Genocide Convention is harmful. But the real harm comes from inaction, for it is our vacillation that plays into the hands of our adversaries. We lose our moral advantage by default, and permit others to accuse us of hypocrisy in our criticisms of repressive regimes.

Let us stop worrying about the bogeymen described by those who disparage the treaty. Let us overcome the paralysis that cripples our human rights policy. Let us ratify the Genocide Convention.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. NICKLES). The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE SECOND RECONCILIATION MEASURE

Mr. ROBERT C. BYRD. Mr. President, will the distinguished majority leader yield for a question?

Mr. BAKER. Yes, Mr. President.

Mr. ROBERT C. BYRD. Could the distinguished majority leader answer the question as to what his plans are or what he sees for the program of the second reconciliation measure, which deals with spending cuts?

Mr. BAKER. Yes, Mr. President. Those reconciliation instructions have been complied with by all the committees involved, which is all the committees having jurisdiction except the Finance Committee. Those resolutions have been delivered to the Budget Committee, I am informed, and they will be prepared to bring them to the Senate as the law prescribes. I hope to take them up as soon as possible. I shall consult with the distinguished chairman of the Committee on the Budget to find out how that can be scheduled, but I do not anticipate a delay.

Mr. ROBERT C. BYRD. Does the majority leader foresee action by the Senate on that matter as early as next week?

Mr. BAKER. Yes, Mr. President, once again, I would, but I cannot give a date. I do anticipate that.

Mr. ROBERT C. BYRD. I thank the distinguished majority leader.

Mr. BAKER. Mr. President, is the distinguished Senator from Georgia ready to proceed under the special order at this time?

Mr. NUNN. Yes, I am, Mr. President.

Mr. BAKER. Mr. President, I yield the floor.

RECOGNITION OF SENATOR NUNN

The PRESIDING OFFICER. Under the previous order, the Senator from Georgia is recognized for not to exceed 15 minutes.

THE CRIME CONTROL ACT OF 1982, TITLE IV—HABEAS CORPUS REFORM

Mr. NUNN. Mr. President, Senator CHILES and I continue to speak out daily on the pressing need for reforms of habeas corpus proceedings in our Federal courts. We do so in the belief that legislative action in this area is the only effective way to reverse the loss of public confidence and respect in our criminal justice system. Facing violent crime at every turn, Americans watch in disbelief as convicted felons routinely delay, and delay again, their just punishment by calculated abuse of the writ of habeas corpus.

Our Federal judges seem powerless to put an end to this attack on the very credibility of the judicial system. They give full examination, time and again, to issues fairly decided many years before in State court systems. Amidst their own frustration and the public's increasingly vocal resentment, it is hardly surprising that many in judicial branch itself echo those very calls for reform which Senator CHILES and I have been stressing for over 2 months.

In July 1974, Alvin Bernard Ford and three accomplices, fully armed, robbed a Red Lobster restaurant in Fort Lauderdale, Fla. Ford himself successfully stole some $7,000 from the restaurant's vault. In doing so, he shot Fort Lauderdale police officer Dimitri Walter Ilyankoff twice before fleeing the restaurant. Ford then discovered that his accomplices had already left in the planned getaway car. Officer Ilyankoff, having radioed for assistance, was struggling to get up when Ford returned, secured the officer's car keys, and shot him a third time in the back of the head. The officer did not survive the three wounds. Fortunately, a restaurant employee, hidden from Ford, witnessed the shooting. In 1975, Ford was tried and convicted of murder in State court, and sentenced to death. On appeal, the Supreme Court of Florida affirmed his conviction. Six years after the robbery, and shortly after a State death warrant had been issued, Ford filed a petition for a writ of habeas corpus in Federal district court.

Ford's delayed petition was not based on newly discovered evidence or a newly acquired right. Rather, his petition raised some nine separate trial issues, which should have been known to him at trial and fully litigated in the courts below. Despite those facts, the district court judge was required to examine and decide again issues of fact, law, and fairness in a trial occurring some 6 years earlier.

After a full hearing on the points raised, the Federal district court denied habeas corpus relief. Facing the difficulties of considering rehashed issues in the "vacuum" of a 6-year delay, district judge Norman Roettger clearly expressed growing judicial and public frustration with current habeas corpus procedures. Judge Roettger stated:

> There are certain matters that the public might wonder about, and I understand why they might. For example, why a case that was tried in December of 1975 didn't get reviewed on this basis until December of 1981. I don't know why the Supreme Court of Florida took three-and-a-half years. I don't know why it took another couple of years for the death warrant to be issued. And I don't know why the Congress of the United States doesn't enact the law that has been introduced setting forth a time limitation within which these writs of habeas corpus must be instituted.

Judge Roettger made those comments in his decision issued December 10, 1981. Senator CHILES and I have been asking the same questions daily on the Senate floor for over 2 months now. S. 2543, the Crime Control Act of 1982, which includes a statute of limitations for habeas corpus relief, has been awaiting action on the Senate Calendar for over 2 months. While the Senate delays its consideration, offenders like Alvin Ford continue to flood our courts with burdensome and frivolous habeas corpus petitions. I urge this Congress to act now on the habeas corpus reform, to restore a meaningful measure of integrity and credibility to our criminal justice system.

Mr. President, I yield the floor. I yield back whatever time I have remaining.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. HATCH. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection it is so ordered.

ROUTINE MORNING BUSINESS

The PRESIDING OFFICER. Under the previous order, there will now be a period for the transaction of routine morning business for not to exceed 10 minutes, with statements therein limited to 3 minutes each.

Mr. HATCH. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HATCH. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. MATTINGLY). Without objection, it is so ordered.

THE SECOND SPECIAL SESSION ON DISARMAMENT

Mr. WARNER. Mr. President, I call to the attention of the Senate the Second Special Session on Disarmament of the U.S. Mission to the United Nations. I ask unanimous consent to have printed in the RECORD a speech given by another delegate, Mr. Edwin Feulner, Jr., president of the Heritage Foundation.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

STATEMENT BY HON. EDWIN FEULNER, JR., PRESIDENT, THE HERITAGE FOUNDATION

Mr. President, let me express to you the admiration of my delegation for the way you have presided over our deliberations, and through you to express our sincere and deeply felt appreciation to Ambassador Adeniji who guided the work of this conference with sensitivity, dedication, and most of all wisdom.

My delegation has been an active participant in these vital discussions. We believe that the words that come out of this Session should be considered soberly—and not merely as another rhetorical exchange. It was because of our commitment to this Session that President Reagan addressed this body on June 17; that our delegation was composed of Senators and Congressmen from both political parties and representatives from other sections of American life. It was because we wanted to reach an enduring consensus on these critical questions of war and peace, that we—along with many other delegations—labored long into the night.

Sadly, we were unable to achieve that full consensus we all so ardently hoped for. But we shall continue to work in this forum as well as others in search of the goal of lasting peace.

As we look back over these past weeks, we must look at both our successes and failures and carefully consider the tasks that lie ahead. But first we must review the lessons of the past.

In 1978 the First Special Session produced a Final Document which embodied many of the aspirations of the world community. But why have we not at this Session been able to come to a consensus on the implementation of that Document?

Let's look at the historical record. Shortly after the First Special Session, one major power violated the most fundamental principles of the UN Charter, and invaded its non-aligned neighbor. They continue to occupy that hapless country. A war of aggression continues in Southeast Asia; other regional conflicts rage unabated; subversion is being exported to Central America, Africa, and other areas; and the quest for freedom is still suppressed in Eastern Europe. In short, the world increasingly lives in fear. Small wonder, then, that the implementation of the lofty goals of the Final Document has remained a distant and illusive dream.

Give their transgressions against the most sacred tenets of the UN Charter since the First Special Session, it is not suprising that some nations argued against language recounting the history of the past four years.

But we must now look to the future. The major project before this conference was, as President Reagan noted, "To chart a course of realistic and effective measures in the quest for peace"—a Comprehensive Program of Disarmament. Progress was made, but the task remains unfinished. We have all reaffirmed the validity of the Final Document and pledged ourselves to renewed efforts toward disarmament. Let me restate that pledge today for the United States.

The United States is proud of its record in disarmament. President Reagan has outlined a clear program to deal with the most pressing and dangerous problems. We have called for real and militarily significant arms reduction, particularly in the field of nuclear weapons. We have called for a one-third reduction in strategic ballistic missile warheads, the elimination of all land-based intermediate range missiles, and new safeguards to eliminate the risk of accidental war. Moreover, just two days ago, the United States and its allies introduced a comprehensive draft treaty in the Mutual and Balanced Force Reduction Talks in Vienna. This proposal calls for a substantial reduction of ground forces on both sides and the implementation of a package of associated confidence-building and verification measures. In all these negotiations, we have offered neither unverifiable measures nor meaningless rhetoric, but rather concrete proposals for major reductions in the arms and armed forces of the United States and of the Soviet Union.

Make no mistake. We are not satisfied with the current international situation and intend to do our part for peace and stability on this small planet.

Mr. President, at this Special Session on Disarmament, we have been considering the most important issue facing mankind—how to prevent war. Or, to put it in a more positive sense, how to establish a secure peace. Regrettably, there is no magic formula or instant panacea to attain that peace we all so fervently desire; it cannot be mandated by committees or by resolutions.

We have heard, again today, the reiteration of the Soviet "no-first-use" of nuclear weapons pledge. Our policy goes far beyond this pledge. The Soviet representative attempted to denigrate the NATO policy. But he cannot. As the leaders of NATO declared at their recent Summit, "None of our weapons will ever be used except in response to an attack." This is our pledge and our policy.

But we believe there is a better way, and we will continue to seek it as we have done at this Session.

During the past weeks we have offered concrete proposals and initiatives on a wide range of issues.

We are dedicated to a real World Disarmament Campaign. We believe that the open and universal availability of information of disarmament matters is vital. Excessive secrecy can only create mistrust and misunderstanding among the peoples of this world; such secrecy is a true enemy of peaceful relations among nations. The United States, as an open society, publicly makes available vast amounts of information on the momentous issues of war and peace.

We have no illusions as to the serious obstacles which have frustrated the objective of a free flow of information in the past. We are all well aware that while hundreds of thousands demonstrated openly and peacefully for disarmament in the streets of New York and other cities of the world, 7 people who dared unfurl a banner calling for "Bread, Life, and Disarmament," were arrested in Moscow. It is a sad commentary that to some societies these words are considered "anti-state" when used domestically, but are considered "state policy" when used internationally.

In the spirit of open discussion President Reagan has offered President Brezhnev the opportunity to address the American people on our TV on the vital questions of peace and disarmament for a chance to address the Soviet people. In this Session, we have offered specific proposals for similar multilateral discussions and regional seminars throughout the world. We believe that an informed world public is the best guarantee for peace and understanding among nations.

In addition to our proposals regarding the World Disarmament Campaign we have offered other concrete initiatives at this Session. During the past several years, disturbing reports have reached the outside world that toxins and other lethal chemical weapons are being used in conflicts against people in remote regions of the world. Unfortunately, the borders of these regions remain sealed to the world community. We have therefore urged that the General Assembly call on the Soviet Government, as well as the Governments of Laos and Vietnam, to grant full and free access to areas where chemical attacks have been reported so that the UN Group of Experts can conduct an impartial investigation.

We have also called for the convening of an International Conference on Military Expenditures. Such a conference would build on past UN efforts calling for universal adherence to a common reporting and accounting system on military expenditures. The frightening reality of vastly increased military budgets has been documented by recognized centers for disarmament throughout the world. Yet for the past ten years, one superpower has provided a manifestly ridiculous figure for its military budget to the world community. This universally discredited figure underscores the need for an International Conference on Military Expenditures.

As we conclude our work of this Second Special Session on Disarmament, I am again struck by the awesome task before us. Never have so few been responsible for the fate of so many. Let us not forget nor shirk this responsibility as we continue our search for a true and lasting peace.

Thank you, Mr. President.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Is there futher morning business?

If not, morning business is closed.

TAX EQUITY AND FISCAL RESPONSIBILITY ACT OF 1982

The PRESIDING OFFICER. Under the previous order, the hour of 10:30 a.m. having arrived, the Senate will now resume consideration of the pending business, H.R. 4961, which the clerk will state.

The assistant legislative clerk read as follows:

A bill (H.R. 4961) to make miscellaneous changes in the tax laws, and for other purposes.

The Senate resumed consideration of the bill.

The PRESIDING OFFICER. The first committee amendment is pending. There is a 2-hour time limit on the amendment equally divided and controlled by Senator DOLE and Senator LONG.

Who yields time?

Mr. DOLE. Mr. President, I ask unanimous consent that the amendment to be offered by the distinguished Senator from Utah be in order.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Utah is recognized.

Mr. HATCH. Mr. President, a parlimentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. HATCH. Mr. President, as I understand it, that means we have unanimous consent that the committee amendment is to be amendable; is that correct?

The PRESIDING OFFICER. We have unanimous consent to amend it even though the time has not expired.

Mr. HATCH. That is correct.

So I may submit these amendments to the committee amendment; is that correct?

The PRESIDING OFFICER. The Senator is correct.

UP AMENDMENT NO. 1098

(Purpose: To provide for reimbursement to hospitals where changes occur in a hospital's case mix)

UP AMENDMENT NO. 1099

(Purpose: To strengthen the exemptions process under the 3-year medicare hospital reimbursement cap)

Mr. HATCH. Mr. President, I send two amendments to the desk and ask for their immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Utah (Mr. HATCH) proposes unprinted amendments numbered 1098 and 1099.

Mr. HATCH. Mr. President, I ask unanimous consent that the reading of the amendments be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendments are as follows:

On page 56, line 25, insert after "basis" the following: "by diagnostic category".

On page 57, line 3, insert after "basis" the following: by diagnostic category".

On page 58, line 3, strike out "as he deems appropriate".

On page 58, line 5, strike out "significant".

The PRESIDING OFFICER. Without objection, the amendments will be considered en bloc.

Mr. HATCH. Mr. President, I shall have introduced two minor clarifying amendments to H.R. 4961, the Tax Equity and Fiscal Responsibility Act of 1982.

I am well known around here as one who strongly supports the need to control Federal spending and balance the Federal budget. I also support the need to find a way to slow the growth of the Federal medicare program. Yet, at the same time, it is imperative that we provide adequate care for our Nation's elderly and maintain the fiscal integrity of our Nation's hospitals. I applaud the distinguished chairman of the Finance Committee, Mr. DOLE, for the extraordinary job he has done in maximizing both of these objectives.

One part of one section of the bill, nonetheless, troubles me. Section 110 of the bill creates a new 3-year limit on hospital reimbursement increases as an interim measure. I would much prefer to see us encourage the development of a price-competitive market in health care over time and I am sure that Mr. DOLE, the distinguished Senator from Kansas, agrees with me. Once these procompetitive measures take hold, hopefully then the Federal Government could lift these controls from our Nation's hospitals.

As proposed in section 110 of the bill, these controls may unintentionally provide a disincentive to hospitals to become more efficient and to serve their community broadly. Let me explain the problem I wish to correct with these clarifying amendments. The current proposal places an expenditure limit on the hospitals per case. All of the hospital's cases are added together regardless of the type of case treated. An average cost per case is determined and the expenditure limit is applied to this average cost per case. In other words, the costs for appendectomies and open heart surgeries are mixed together to determine the hospital's overall average cost per case.

In order to keep the average cost per case down, the hospital may have an incentive to treat more routine cases and fewer complex cases. This may also encourage the hospital to treat some cases in the inpatient hospital setting rather than moving some of these cases, where appropriate, to the less expensive outpatient setting. This provision could also make it more difficult for efficient management within regional hospital systems by creating within the system a disincentive to centralizing more complex cases.

Hospitals which, over time, may be treating more elderly, more cancer, more open heart cases, and more intensive cases of all kinds, all else being equal, could be unintentionally jeopardized by the current proposal. The way I read the bill, under a weighted average cost per case, theoretically a hospital could keep its costs the same from year to year and still violate the limitation.

To remedy this situation, I first propose a clarifying amendment to section 110 of the bill, which would apply the expenditure limit to the average cost of comparable cases for a diagnostic category, such as for gall bladders or open heart surgery.

This would give the hospital the proper incentive to encourage care in the most cost-effective setting and would not harm a hospital for treating elderly patients or for a case mix which may become more complex over time. Specifically, where there are references on pages 56 and 57 of the bill to costs "determined on a per admission or per discharge basis," I would add "by diagnostic category."

In addition to the first proposal, I recommend a second clarifying amendment to strengthen the requirement for secretarial exemption under the 3-year cost cap. This Congress knows full well it cannot anticipate all the legitimate reasons why a hospital's costs may change. This is an area in which we must rely on the Department of Health and Human Services. Yet the Department may have little incentive to recognize legitimate changes in a hospital's costs, even those which are beyond the control of a hospital. Therefore, I propose deleting the words on page 58 of the bill "as he deems appropriate," words which, if left in, would leave absolute discretion in the granting of exemptions to the Secretary. I also delete the word "significant" on line 5 of page 58.

These deletions would make the granting of adjustments, where appropriate and warranted, mandatory by the Department, rather than leaving such an exemption dependent upon a regional office recommendation to the Secretary. The Secretary would, of course, under this section publish, via regulation, strict criteria by which a hospital could be granted a full or partial adjustment, exception, or exemption. However, the Department would not have discretion in whether to grant or deny an adjustment should a hospital's circumstances meet the Secretary's criteria.

Mr. DOLE. The Senator has offered both amendments?

Mr. HATCH. I have offered both.

Mr. DOLE. I appreciate your efforts to clarify this bill. I believe that your first amendment is actually taken care of in the bill as presently drafted, however, speaking for this side I would be happy to accept your second amendment, which is useful in clarifying the intention of the finance committee: To provide for an exemption and adjustment process for the 3-year rate-of-increase limitation provision in a manner that is sensitive to legitimate changes in hospital costs that result from a number of circumstances including changes in case mix.

It is my understanding that the clarification offered by the second amendment will not have any impact on the present savings estimates.

As written and as intended by the Finance Committee, the bill language clearly calls upon the Department to develop a fair process by which legitimate adjustments will be made and by which hospitals may apply for exceptions or exemptions as needed. It is our intention that changes in a hospital's case mix that might cause it to exceed its rate-of-increase limitation would be grounds for an adjustment. The reasons for an adjustment may vary widely; for example, from demographic changes, shifts in service areas, variations in the general health of the service population, or the occurrence of a natural disaster.

However, it is clearly not the intention of the committee to allow hospitals to deliberately manipulate their case mix to avoid the limits, but rather to provide protection against uncontrollable changes.

Further, it is our intention that the Secretary establish written criteria to be used in making adjustments for case mix. Thus, a hospital will be able to utilize this criteria in assessing its position and preparing documentation to support its request for an adjustment.

So it is revenue-neutral as far as we are able to determine.

Mr. HATCH. I appreciate the distinguished Senator from Kansas' acceptance of my second amendment and I equally appreciate the information the Senator has provided me on my first proposal. I will gladly accept your assurance that hospitals with changes in case mix will be able to have their costs for such changes reimbursed fairly and without jeopardy of violating the limitation.

As I indicated in my statement, I just want to make sure that there will be no inequity in administration of this program where shifts occur in a hospital's case mix from less intensive to more intensive cases.

I appreciate your clarification of the first amendment and will withdraw it. So I formally withdraw the first amendment by unanimous consent.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered. The Senator's first amendment (UP No. 1098) is withdrawn.

Mr. HATCH. I move the adoption of the second amendment which the Senator from Kansas will accept.

Mr. DOLE. Does the distinguished Senator from Louisiana have any objection? The Senator has withdrawn the one amendment we have a problem with. The other one I think is a good amendment. It is no revenue loss. It does not affect our savings.

Does the Senator have any objection to that amendment?

Mr. LONG. I have no objection to it.

Mr. HATCH. I thank my good friends from Louisiana and Kansas.

Mr. DOLE. I thank my good friend from Utah because I know of his direct interest. The committee jurisdiction sometimes overlaps, and I appreciate his calling this to our attention.

Mr. HATCH. I thank my colleagues and I move the adoption of the amendment.

The PRESIDING OFFICER. Is all time yielded back?

Mr. HATCH. I yield back my time.

Mr. DOLE. I yield back my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Utah.

The amendment (UP No. 1099) was agreed to.

Mr. HATCH. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. DOLE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HATCH. I thank the Senator.

The PRESIDING OFFICER. The question now recurs on the committee amendment, as amended.

Mr. DOLE. Mr. President, I ask that I be allotted 5 minutes on the bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. Mr. President, as the Senator from Kansas indicated last evening, it is my hope that, perhaps, this morning we can address some of the concerns that Members have on both sides of the aisle as they refer to the spending reduction package. It is my understanding—and I am certainly not aware of all the amendments—the Senator from Ohio (Mr. METZENBAUM) may have an amendment, the Senator from Massachusetts (Mr. KENNEDY) may have an amendment, the Senator from Montana (Mr. BAUCUS), and the Senator from Minnesota (Mr. DURENBERGER) may have amendments, and there may be others of which the Senator from Kansas is not aware.

It would be my hope that we could dispose of all the amendments we know of that affect anything on the spending side. Otherwise we will proceed in any way——

Mr. LONG. Mr. President, will the distinguished manager of the bill yield at that point? Might I suggest to the manager of the bill that in order to help make the position of Senators clear, we simply agree by unanimous consent that when Senators are through with their amendments to title I, at an appropriate time, we simply have a vote on title I which deals with the spending cuts, that is, "Provisions relating to savings in health and income security programs"? That would be so that those who want to go on record in favor of spending cuts could vote in a straightforward fashion to record themselves in favor of voting for the spending cuts.

Mr. DOLE. Let me say to the Senator from Louisiana that I do not believe I would have any objection to that but could I check with the majority leader and one or two other Senators on our side? For me that would give everyone the opportunity to go on record because we have been trying to determine some neat way to separate on final passage these two sections. This might take care of that concern because I know of some Senators who are willing to vote for the spending reductions and others are willing to vote for the revenue increases, but there are different groups on each side.

Mr. LONG. As far as this Senator is concerned, the Senator from Louisiana is willing to vote for the spending cuts that are in the bill. He will vote for amendments, but he is willing to vote for the spending cut title. I would think those who would like to vote for spending cuts would like to vote affirmatively on that title, so if we can gain unanimous consent I think that would be a good way to proceed. Otherwise we could find some other way, such as a motion to table, and then Senators could vote on the motion to table or perhaps on a motion to strike. But I think it would be best to simply let them vote and record themselves affirmatively in favor of the spending cuts if that is what they want to do.

Mr. DOLE. Let me just indicate to the Senator from Louisiana that I will check that immediately. To me it sounds like a good idea.

Mr. METZENBAUM. Mr. President, will the Senator from Kansas as well as the Senator from Louisiana indicate whether it might be possible to take the spending cuts, and then instead of making it a yes or no vote, whether by unanimous consent that that entire section might be moved en bloc to other legislation which would then be considered in due course after the revenue side of the bill had been dealt with? In other words, there might be some of us who could find some reason to support, if amended, some one or all parts of the spending cuts, and I think the Senator from Louisiana is certainly moving very much in the right direction on the whole question of taking it out, but because I would guess it would be difficult to achieve a majority on that motion and it might be possible to achieve a majority in coming at it in a different manner, with some modifications of some portions of the spending cuts, I am wondering whether or not—I know the Senator from Kansas was originally exploring the possibility of doing just that.

The Senator from Ohio is now asking this question in connection with the inquiry of the Senator from Louisiana because I think all of us want to try to be responsible and try to achieve the objective that is called for under the budget reconciliation measure—this is a long question—but the Senator from Kansas and the Senator from Louisiana understand the thrust of my inquiry.

The PRESIDING OFFICER. The Senator's 5 minutes have expired.

Mr. DOLE. I yield myself 5 more minutes.

I will say to the Senator from Ohio that we will certainly explore it. But I would not want the action on spending to be delayed. If there was some way to move it out of here at the same time the revenue matter was considered, maybe through some vehicle on the calendar, that might be advisable.

Mr. METZENBAUM. I asked it on the basis of its being a unanimous consent and I also implied in that, that it would come up under some time limitation so that we would not find ourselves or the Senator from Kansas would not find himself in the position of having agreed to move the revenue bill but not being able to move by parliamentary procedure on the other side of the ledger.

Mr. LONG. Mr. President, if the Senator will yield, I do not believe that Senators are going to want to separate the spending cut and the tax cut, and I do not think the Senator from Louisiana wants to do so. As long as they are being recommended by the committee, I do not think I would want to separate them from the bill.

I simply think the people who want to vote for the spending cuts want to vote in a direct up-or-down vote so that they can go on record. If need be, one can move to strike the whole title and vote against his own motion. So we can have a vote in it in one way or the other.

But I would think that those who want to vote for the economy moves would like to vote straight up or down. We have done this before on other bills. We have gone title by title and when we reached the end of a title we just voted on it.

I recall we had a major bill that the Senator from Louisiana was managing several years ago and it had many titles. The Senator from Louisiana

simply asked for a vote every time we came to the end of a title.

All I am suggesting is that it would be appropriate that we agree to vote on title I on a direct vote.

Mr. DOLE. Mr. President, certainly we will explore that. It seems to me to be a perfectly fair idea. I will also explore what we may be able to do with the suggestion of the Senator from Ohio.

It is the understanding of the Senator from Kansas that there are two, three, or four amendments on the spending side and, if they can be accommodated, much of the opposition to that whole package might be eliminated. This Senator cannot say that for certain, but we are working with a number of Senators who have some concerns in certain areas but not on others. We are trying to accommodate Senator BAUCUS and others. Senator BAUCUS is the ranking Democrat on that subcommittee. He is now negotiating with Senator DURENBERGER, the subcommittee chairman. So perhaps we could satisfy nearly everyone.

Mr. LONG. Will the distinguished manager yield?

Mr. DOLE. Yes.

Mr. LONG. I hope that we will move on this major bill. This is a tremendous bill and it is a very significant measure. I would hope that we would move on this measure in sequence, because it is difficult for Senators to keep up with what is going on when we jump back and forth from one subject to another. I hope we would try to address ourselves to spending cuts, which the manager of the bill and the majority of the committee saw fit to put first in the bill, and that is what the committee voted on first when we were in session.

If we would just vote on the spending cuts first, then anybody who does not like some part of it can move to amend it or strike. Then, the Senate having worked its will on sections 101 to 121, those 21 sections, it could proceed to vote on the title and after go on to title II.

If no one wants to offer an amendment to title I, Mr. President, I am ready to vote on title I.

Mr. DOLE. I think there are amendments, but I am ready to vote on it, also.

Mr. METZENBAUM. I think it is no secret that some of us find some portions of title I impossible or so objectionable that we are not prepared to vote for it. On the other hand—and I speak for myself in this respect—I would like to find a way to vote for this bill, because I think that the Finance Committee has done a credible job in attempting to achieve the objectives and responsibility that they have.

However, we can only determine whether or not some of us will be able to vote for it or not after determining whether or not some of the sections are amendable and whether they are acceptable to the chairman.

The PRESIDING OFFICER (Mr. HUMPHREY). The time Senator DOLE has yielded himself has expired. Who yields time?

Mr. DOLE. Mr. President, I yield myself 5 additional minutes from the bill.

I would just say to the Senator from Ohio that I know the Senator from Ohio has one amendment I am advised we could accept on emergency services. I know of another concern the Senator from Ohio has that may be addressed by the efforts of Senator BAUCUS, Senator DURENBERGER, Senator JEPSEN, Senator HAWKINS and others. I understand Senator BAUCUS may be in a position to indicate whether that would be acceptable.

Another interest to the Senator from Ohio is the unemployment area and we have someone available now to discuss that so we can determine from your staff precisely what the amendment is.

So, hopefully, we can adjust in nearly every case, or accommodate in nearly every case, the requests of the Senator from Ohio.

Mr. METZENBAUM. I appreciate the cooperation of the Senator from Kansas, the manager of the bill. For myself, I would like to make this a bill that a number of us could vote for. It is fair to say that some portions of it are too sticky and too difficult to accept. But I do not intend to delay action on it nor do I have a host of amendments.

I think we can move forward with the process before we actually get to a vote on the issue, as stated by the manager of the bill on the minority side, so that when we are talking about striking the entire section, it would at that time have been improved to the maximum extent possible.

Mr. DOLE. Mr. President, I hope that there might be someone who would be prepared at this point to offer an amendment to that title, title I. Again, it seems to me that we could move very quickly on this entire package—maybe not finish it all by noon but hopefully the spending reduction side by not later than 12:30 today—and then maybe wrap up the tax package this afternoon and go home, if not today, tomorrow.

But there are some amendments that we are willing to accept in title I and, hopefully, those who have those amendments will come forward.

Mr. President, I suggest the absence of a quorum and ask unanimous consent that the time be charged equally.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DOLE. Mr. President, I ask unanimous consent that the order for the quorum be rescinded.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

Mr. DOLE. Mr. President, I ask unanimous consent that the amendment to be offered by the distinguished Senator from Oregon be in order.

The PRESIDING OFFICER. Is there objection?

Mr. LONG. Mr. President, reserving the right to object, and I do not intend to object, I would like to have it understood that this unanimous-consent request does not waive the right of any Senator to raise the question of germaneness, because I believe a Senator may want to raise the question of germaneness with regard to the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

UP AMENDMENT 1100

(Purpose: To provide for necessary development of our Nation's airport and airway system)

Mr. PACKWOOD. Mr. President, I send to the desk an amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Oregon (Mr. PACKWOOD) proposes an unprinted amendment numbered 1100.

Mr. PACKWOOD. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 619 of the first committee amendment, add the following new title, making any necessary redesignations, immediately after line 16:

TITLE IV—AIRPORT AND AIRWAY SYSTEM DEVELOPMENT

SHORT TITLE

SEC. 1. This Act may be cited as the "Airport and Airway System Development Act of 1982".

DECLARATION OF POLICY

SEC. 2. The Congress hereby finds and declares that—

(1) the safe operation of the airport and airway system will continue to be the highest aviation priority;

(2) the continuation of airport and airway improvement programs and more effective management and utilization of the Nation's airport and airway system are required to meet the current and projected growth of aviation and the requirements of interstate commerce, the Postal Service, and the national defense;

(3) all airport and airway programs should be administered in a manner consistent with the provisions of sections 102 and 103 of the Federal Aviation Act of 1958 (49 U.S.C. 1302 and 1303), as amended by the Airline Deregulation Act of 1978, with due regard for the goals expressed therein of fostering

competition, preventing unfair methods of competition in air transportation, maintaining essential air transportation, and preventing unjust and discriminatory practices;

(4) this Act should be administered in a manner to provide adequate navigation aids and airport facilities, including reliever airports, for points with scheduled commercial air service;

(5) this Act should be administered in a manner consistent with a comprehensive airspace system plan to maximize the use of safety facilities, with highest priority for commercial service airports, including but not limited to, the goal of installing, operating, and maintaining a precision approach system and a full approach light system for each primary runway, grooving or friction treatment of all primary and secondary runways, a nonprecision instrument approach for all secondary runways, runway end identifier lights on all runways that do not have an approach light system, electronic or visual vertical guidance on all runways, runway edge lighting and marking, and radar approach coverage for all airport terminal areas;

(6) reliever airports make an important contribution to the efficient operation of the airport and airway system, and special emphasis should be given to their development;

(7) aviation facilities should be constructed and operated with due regard to minimizing current and projected noise impacts on nearby communities;

(8) certain airports which have the ability to finance their capital and operating needs without Federal assistance should be encouraged to voluntarily withdraw from eligibility for such assistance;

(9) the Federal administrative requirements placed upon airport sponsors can be reduced and simplified through the use of a single project application to cover all airport improvement projects contained in the airport's annual expenditure program; and

(10) it is in the national interest to encourage and promote the development of transportation systems embracing various modes of transportation in a manner that will serve the States and local communities efficiently and effectively, and to accomplish this objective the Secretary shall cooperate with State and local officials in the development of airport plans and programs which are formulated on the basis of overall transportation needs.

DEFINITIONS

SEC. 3. As used in this Act—

(1) "Airport" means any area of land or water which is used, or intended for use, for the landing and takeoff of aircraft, and any appurtenant areas which are used, or intended for use, for airport buildings or other airport facilities or rights-of-way, together with all airport buildings and facilities located thereon.

(2) "Airport development" means any of the following activities, if undertaken by the sponsor, owner, or operator of a public-use airport:

(A) any work involved in constructing, reconstructing, repairing, or improving a public-use airport or portion thereof, including—

(i) the removal, lowering, relocation, marking, or lighting of airport hazards; and

(ii) the preparation of plans and specifications for airport development, including field investigation incidental thereto;

(B) any acquisition or installation at or by a public-use airport of—

(i) precision approach systems and other navigation aids used by aircraft for landing at or taking off from such airport, including any necessary site preparation;

(ii) safety or security equipment required by the Secretary by rule or regulation for the safety or security of persons and property at such airport, or specifically approved by the Secretary as contributing significantly to the safety or security of persons and property at such airport;

(iii) snow removal equipment; or

(iv) aviation-related weather reporting equipment;

(C) any acquisition of land or of any interest therein, or of any easement through or other interest in airspace, including land for future airport development, which is necessary to permit any airport development described in paragraph 3(A) or 3(B) of this section or to remove, mitigate, or prevent or limit the establishment of airport hazards;

(D) any acquisition or installation of the following items for improving noise compatibility at a public-use airport:

(i) noise suppressing equipment, physical barriers, or landscaping, for the purpose of diminishing the effect of aircraft noise on any area adjacent to such airport; and

(ii) land, including land associated with future airport development, or any interest therein, or any easement through or other interest in airspace, necessary to insure that such land is used only for purposes which are compatible with the noise levels attributable to the operation of such airport; and

(E) any project to carry out an approved airport noise compatibility program, or part thereof, approved by the Secretary pursuant to subsection 104(b) of the Aviation Safety and Noise Abatement Act of 1979.

(3) "Airport hazard" means any structure or object of natural growth located on or in the vicinity of a public-use airport, or any use of land near such an airport, which obstructs the airspace required for the flight of aircraft in landing or taking off at the airport or is otherwise hazardous to the landing or taking off of aircraft.

(4) "Airport noise compatibility planning" means the development for planning purposes of information necessary to prepare and submit (A) the noise exposure map and related information pursuant to section 103 of the Aviation Safety and Noise Abatement Act of 1979, including any cost associated with obtaining such information, or (B) a noise compatibility program for submission pursuant to section 104 of such Act.

(5) "Airport noise compatibility program" means any such program described in section 104 of the Aviation Safety and Noise Abatement Act of 1979.

(6) "Airport planning" means planning, including airport noise compatibility planning and airport system planning, as defined by such regulations as the Secretary shall prescribe.

(7) "Airport system planning" means the initial as well as continuing development for planning purposes of information and guidance to determine the extent, type, nature, location, and timing of airport development needed in a specific area to establish a viable and balanced system of public-use airports. It includes identification of system needs, development of estimates of system-wide development costs, and the conduct of such studies, surveys, and other planning actions, including those related to airport access, as may be necessary to determine the short-, intermediate-, and long-range aeronautical demands required to be met by a particular system of airports. It also includes the establishment by a State of standards, other than standards for safety of approaches, for airport development at public-use airports which are not primary airports.

(8) "Applicant State" means a State which submits an application for a block grant to the Secretary pursuant to section 12 of this Act.

(9) "Block grant" means a grant of funds to a participating State pursuant to section 12 of this Act for distribution within such participating State at eligible airports other than primary airports or reliever airports.

(10) "Block grant supplement" means a grant of funds to a participating State pursuant to section 13 of this Act.

(11) "Commercial service airport" means a public airport which is determined by the Secretary either to enplane annually 2,500 or more passengers and receive scheduled passenger service of aircraft, or to enplane annually 10,000 or more passengers.

(12) "Eligible airport" means an airport that is eligible to receive Federal assistance for airport development or airport planning pursuant to the provisions of this Act.

(13) "Government aircraft" means aircraft owned and operated by the United States.

(14) "Landing area" means that area used or intended to be used for the landing, takeoff, or surface maneuvering of aircraft.

(15) "Passengers enplaned" means domestic, territorial, and international revenue passenger enplanements in the United States, Puerto Rico, and the insular areas in scheduled and nonscheduled service of aircraft in intrastate, interstate, and foreign commerce as shall be determined by the Secretary.

(16) "Participating State" means a State that receives a block-grant pursuant to section 12 of this Act.

(17) "Primary airport" means a commercial service airport which is determined by the Secretary to have enplaned .01 percent or more of the total number of passengers enplaned annually at all commercial service airports.

(18) "Project" means a project (or separate projects submitted together) for the accomplishment of airport development or airport planning, including the combined submission of all projects which are to be undertaken at an airport in a fiscal year.

(19) "Project costs" means any costs involved in accomplishing a project.

(20) "Project-grant" means a grant of funds by the Secretary pursuant to section 10 of this Act for the accomplishment of one or more projects.

(21) "Public agency" means a State, the Commonwealth of Puerto Rico, the Virgin Islands, American Samoa, the Government of the Northern Mariana Islands, the Trust Territory of the Pacific Islands, or Guam or any agency of any of them; a municipality or other political subdivision; a tax-supported organization; or an Indian tribe or pueblo.

(22) "Public airport" means any airport which is used or to be used for public purposes, under the control of a public agency, the landing area of which is publicly owned.

(23) "Public-use airport" means any public airport or any privately owned reliever airport which is used or to be used for public purposes.

(24) "Reliever airport" means an airport designated by the Secretary as having the function of relieving congestion at a primary airport.

(25) "Secretary" means the Secretary of Transportation.

(26) "Sponsor" means (A) any public agency which, either individually or jointly

with one or more other public agencies, submits to the Secretary, in accordance with this Act, an application for financial assistance for airport development or airport planning at a public airport or (B) any private owner of a public-use airport which submits to the Secretary, in accordance with this Act, an application for financial assistance for airport development or airport planning at a reliever airport. Such term includes participating States.

(27) "State" means a State of the United States, the District of Columbia, or the Commonwealth of Puerto Rico.

(28) "State development report" means a list of projects showing the utilization of block-grant and block-grant supplement funds distributed to a participating State.

(29) "Trust Fund" means the Airport and Airway Trust Fund established by section 208 of the Airport and Airway Revenue Act of 1970, as amended.

(30) "United States share" means that portion of the project costs of projects for airport development or airport planning which, pursuant to section 17 of this Act, is to be paid from funds made available for the purposes of this Act.

NATIONAL AIRPORT SYSTEM PLAN

SEC. 4. (a) The Secretary shall review and revise as necessary the existing national airport system plan to provide for the development of public-use airports in the United States. The plan shall include the type and estimated cost of airport development eligible for funding under this Act considered by the Secretary to be necessary to provide a safe and efficient system of public-use airports to anticipate and meet the needs of civil aeronautics, to meet requirements in support of the national defense as determined by the Secretary of Defense, and to meet identified needs of the Postal Service. Airport development identified by this plan shall not be limited to the requirements of any classes or categories of public-use airports. In reviewing and revising the plan, the Secretary shall consider the needs of all segments of civil aviation, and take into consideration, among other things, the relationship of each airport to (1) the rest of the transportation system in the particular area, (2) the forecasted technological developments in aeronautics, and (3) forecasted developments in other modes of intercity transportation.

(b) In reviewing and revising the national airport system plan, the Secretary shall consult, to the extent feasible and as appropriate, with other Federal and public agencies, and with the aviation community.

(c)(1) The Department of Defense shall make domestic military airports and airport facilities available for civil use to the maximum extent feasible. In advising the Secretary of national defense requirements pursuant to subsection (a) of this section, the Secretary of Defense shall indicate the extent to which domestic military airports and airport facilities will be available for civil use.

(2) Not later than 180 days after the date of enactment of this Act, the Comptroller General shall submit to the Congress an evaluation of the feasibility of making domestic military airports and airport facilities available for joint civil and military use to the maximum extent compatible with national defense requirements. With respect to those military airports determined to be most feasible for joint civil and military use, such evaluation shall include an estimate of the costs and the development requirements involved in making such airports available for joint civil and military use.

(3) Not later than 1 year after the date of enactment of this Act, the Secretary of Defense and the Secretary of Transportation shall submit to the Congress a plan for making domestic military airports and airport facilities available for joint civil and military use to the maximum extent compatible with national defense requirements. The plan shall recommend public-sector civil sponsors in the case of each joint use proposed in the plan.

NAVIGATION AIDS

SEC. 5. The costs of site preparation work associated with acquisition, establishment, or improvement of air navigation facilities by the Secretary pursuant to section 307(b) of the Federal Aviation Act of 1958 (49 U.S.C. 1348(b)) shall be charged to appropriated funds available to the Secretary for that purpose pursuant to section 7(a) of this Act. Nothing in this Act shall preclude the Secretary from providing, in a grant agreement or other agreement with an airport owner or sponsor, for the performance of such site preparation work in connection with airport development, subject to payment or reimbursement for such site preparation work by the Secretary from such appropriated funds.

AIRPORT IMPROVEMENT PROGRAM

SEC. 6. (a) In order to maintain a safe and efficient nationwide system of public-use airports to meet the present and future needs of civil aeronautics, the Secretary is authorized to incur obligations in the form of grants from the Trust Fund for airport development and airport planning by project-grants, block-grants, and block-grant supplements in accordance with the provisions of this Act in aggregate amounts of not less than nor more than $450,000,000 for fiscal year 1982; $1,050,000,000 for the fiscal years prior to October 1, 1983; $1,740,000,000 for the fiscal years prior to October 1, 1984; $2,533,500,000 for the fiscal years prior to October 1, 1985; $3,582,900,000 for the fiscal years prior to October 1, 1986; and $4,789,700,000 for the fiscal years prior to October 1, 1987.

(b) No obligation for airport development or airport planning shall be incurred by the Secretary, or a participating State, pursuant to this Act after September 30, 1987: *Provided,* That nothing in this section shall preclude the obligation by grant agreement of apportioned funds which remain available pursuant to section 9(b) of this Act after such date.

(c) No obligation shall be incurred by the Secretary, or a participating State, pursuant to this Act for airport development or airport planning at any airport that has voluntarily withdrawn from such programs under section 26(a) of this Act except in accordance with the provisions of that section.

(d) No obligation shall be incurred by the Secretary for airport development or airport planning pursuant to this Act at a privately owned airport unless—

(1) the airport is a designated reliever airport,

(2) the Secretary finds that such airport plays an essential role in the national airport system plan, and

(3) the Secretary receives appropriate assurances that such airport will continue to function as a reliever airport during the economic life of any facility at such airport that was developed with Federal financial assistance under this Act.

(e)(1) Notwithstanding any other provision of law, if in any fiscal year the amount of funds made available for obligation for the purposes of this section are less than 85 percent of the amounts authorized in subsection (a), the authority of the Secretary to carry out the provisions of section 7 of this Act and the imposition of taxes under those sections of the Internal Revenue Code which feed the Trust Fund under section 208(b) of the Airport and Airway Revenue Act of 1970 (49 U.S.C. 1742(b)) shall terminate for all subsequent years.

(2) Paragraph (1) of this subsection shall not apply if a joint resolution is enacted into law which authorizes the Secretary to carry out the provisions of section 7 of this Act and authorizes the imposition of the taxes referred to in paragraph (1) of this subsection during a fiscal year even though the amount of funds made available for obligation in the previous fiscal year was less than 85 percent of the amounts authorized in subsection (a).

AIRWAY IMPROVEMENT PROGRAM

SEC. 7. (a) AIRWAY FACILITIES AND EQUIPMENT.—For the purposes of acquiring, establishing, and improving air navigation facilities under section 307(b) of the Federal Aviation Act of 1958 (49 U.S.C. 1348(b)), there is authorized to be appropriated from the Trust Fund aggregate amounts not to exceed $261,000,000 for fiscal year 1982; $986,000,000 for the fiscal years prior to October 1, 1983; $2,379,000,000 for the fiscal years prior to October 1, 1984; $3,786,000,000 for the fiscal years prior to October 1, 1985; $5,163,000,000 for the fiscal years prior to October 1, 1986; and $6,327,000,000 for the fiscal years prior to October 1, 1987. Amounts appropriated under the authorizations in this subsection shall remain available until expended.

(b) RESEARCH, ENGINEERING AND DEVELOPMENT, AND DEMONSTRATIONS.—The Secretary is authorized to carry out under section 312(c) of the Federal Aviation Act of 1958 such demonstration projects as the Secretary determines necessary in connection with research and development activities under section 312(c). For research, engineering and development, and demonstration projects and activities under section 312(c), there is authorized to be appropriated from the Trust Fund $72,000,000 for fiscal year 1982; $134,000,000 for fiscal year 1983; $286,000,000 for fiscal year 1984; $269,000,000 for fiscal year 1985; $215,000,000 for fiscal year 1986; and $193,000,000 for fiscal year 1987. Amounts appropriated under the authorizations in this subsection shall remain available until expended.

(c) OTHER EXPENSES.—The moneys available in the Airport and Airway Trust Fund may be appropriated for (1) costs of services provided under international agreements relating to the joint financing of air navigation services which are assessed against the United States Government, (2) direct costs incurred by the Secretary to flight check and maintain air navigation facilities referred to in subsection (a) of this section in a safe and efficient condition, and (3) other operating expenses of the Federal Aviation Administration. The amounts appropriated from the Airport and Airway Trust Fund for the purposes of clauses (1), (2), and (3) of this subsection may not exceed $800,000,000 for fiscal year 1982; $1,559,000,000 for fiscal year 1983; $1,355,000,000 for fiscal year 1984; $1,363,000,000 for fiscal year 1985; $1,388,000,000 for fiscal year 1986; and $1,444,000,000 for fiscal year 1987. No part

of any amount appropriated from the Airport and Airway Trust Fund in any fiscal year for obligation or expenditure for the purposes described in clauses (2) and (3) of this subsection shall be obligated or expended which exceeds that amount which bears the same ratio to the maximum amount which may be appropriated under clauses (1), (2), and (3) of this subsection for such fiscal year as the total amount obligated in that fiscal year under subsections 6(a) or programed for or obligated under subsection 7(a) of this Act bears to the aggregate of minimum amount made available for obligation under each such subsection for such fiscal year. If in fiscal year 1982, or in any subsequent fiscal year, the amount obligated under subsection 6(a) or programed for or obligated under subsection 7(a) of this Act in such fiscal year is less than the minimum amount made available for obligation under each such subsection for such fiscal year, the amount available for obligation or expenditure for the purposes described in clauses (2) and (3) of this subsection shall be reduced by an amount equal to the difference between the minimum amount made available under subsection 6(a) or made available under subsection 7(a) of this Act for such fiscal year and the amount obligated under section 6(a) or programed for or obligated under subsection 7(a) for such fiscal year. Any reduction under the preceding sentence shall be made in the amount available for obligation or expenditure in the next fiscal year for the purposes described in clauses (2) and (3).

(d) WEATHER SERVICES.—The Secretary is authorized to reimburse the National Oceanic and Atmospheric Administration from the funds authorized in subsection (c) for the cost of providing the Federal Aviation Administration with weather reporting services. Expenditures for the purposes of carrying out this subsection shall be limited to $26,700,000 for fiscal year 1983; $28,569,000 for fiscal year 1984; $30,569,000 for fiscal year 1985; $32,709,000 for fiscal year 1986; and $34,998,000 for fiscal year 1987.

(e) PRESERVATION OF FUNDS AND PRIORITY FOR AIRPORT AND AIRWAY PROGRAMS.—

(1) Notwithstanding any other provision of law to the contrary, no amounts may be appropriated from the Trust Fund to carry out any program or activity under the Federal Aviation Act of 1958, except programs or activities referred to in this section.

(2) Notwithstanding any other provision of law to the contrary, the total amount of funds from the Trust Fund which are obligated or expended in any fiscal year for the purposes described in this section shall not exceed 75 percent of the total expenditures of the Federal Aviation Administration for that fiscal year.

(3) Notwithstanding any other provision of law to the contrary, amounts equal to the minimum amounts authorized for each fiscal year by section 6 or sections 7 (a), (b), (d) and the second sentence of section 7(c) of this Act shall remain available in the Trust Fund until obligated or appropriated for the purposes described in such subsections.

(4) Notwithstanding any other provision of law to the contrary, no funds appropriated from amounts transferred to the Trust Fund by subsection (b) of section 208 of the Airport and Airway Revenue Act of 1970 (relating to aviation user taxes) may be obligated or expended for administrative expenses of the Department of Transportation or any unit thereof except to the extent authorized by the provisions of and the formulas in this section.

(5) No provision of law, except for a statute hereafter enacted which expressly limits the application of this paragraph (5), shall impair the authority of the Secretary to obligate to an eligible airport by grant agreement in any fiscal year the unobligated balance of amounts which were apportioned in prior fiscal years and which remain available for approved airport development projects pursuant to subsection 9(b) of this Act, in addition to the minimum amounts authorized for that fiscal year by sections 6 and 7 of this Act.

(6) No provision of law shall be construed as authorizing the Secretary to obligate or expend any amounts appropriated from the Trust Fund for the purposes described in subsection (c) in any fiscal year after September 30, 1987, unless the provision expressly amends the provisions of and the formulas in subsection (c) of this section.

APPORTIONMENT OF FUNDS

SEC. 8. (a) For each fiscal year for which any amount is authorized to be obligated for the purposes of section 6 of this Act, the amount made available for that year, and not previously apportioned, shall be apportioned by the Secretary in accordance with subsection (b) of this section: *Provided*, That in any apportionment for a fiscal year beginning after September 30, 1982, the Secretary shall not apportion any funds to airports that have voluntarily withdrawn from the program under the provisions of section 26(a) of this Act.

(b) On the first day of each fiscal year for which any amount is authorized to be obligated for the purposes of section 6 of this Act, the amount made available for that year, and not previously apportioned, shall be apportioned by the Secretary as follows:

(1) PRIMARY AIRPORTS.—

(A) To eligible primary airports, 55 percent of the funds authorized in section 6 for fiscal year 1982, and 50 percent of the funds authorized in section 6 for each subsequent fiscal year, apportioned to each eligible primary airport as follows:

(i) $6 for each of the first 50,000 passengers enplaned at that airport;

(ii) $4 for each of the next 50,000 passengers enplaned at that airport;

(iii) $2 for each of the next 400,000 passengers enplaned at that airport; and

(iv) $.50 for each additional passenger enplaned at that airport.

(B) In each of the fiscal years 1984 through 1987, the Secretary shall apportion an amount to each eligible primary airport in addition to whatever amount is apportioned to such airport under the formula set forth in subparagraph (A). The additional apportionment shall be calculated by determining the amount such airport is to be apportioned under the formula in subparagraph (A) and then increasing that amount by 10 percent for fiscal year 1984, 20 percent for fiscal year 1985, 25 percent for fiscal year 1986, and 30 percent for fiscal year 1987.

(C) The Secretary may not apportion more than $12,500,000 under paragraph (1) of this subsection for any single airport for any fiscal year.

(2) APPORTIONMENTS TO STATES AND INSULAR AREAS.—To the several States and to Guam, American Samoa, the Government of the Northern Mariana Islands, the Trust Territory of the Pacific Islands, and the Virgin Islands for eligible public airports other than: (I) reliever airports; (II) primary airports; and (III) airports that are ineligible to receive Federal assistance under the provisions of section 26(a) of this Act:

(A) 10 percent of the funds authorized in section 6 for each of the fiscal years 1982 through 1987, to be apportioned as follows:

(i) Insular Areas. One-half of 1 percent of such amounts to the Commonwealth of Puerto Rico, Guam, American Samoa, the Government of the Northern Mariana Islands, the Trust Territory of the Pacific Islands, and the Virgin Islands.

(ii) States. One-half of the remaining 99.5 percent of such amount in the proportion which the population of each State bears to the total population of all the States and one-half of the remaining 99.5 percent of such amount in the proportion which the area of each State bears to the total area of all the States. As used in this paragraph, the term "population" means the population according to the latest decennial census of the United States and the term "area" includes both land and water.

(B) In addition, for each of the fiscal years 1982 and 1983, $150,000 shall be apportioned to each State for each commercial service airport located within its jurisdiction which is eligible to receive funds apportioned under this paragraph. In fiscal years 1984 through 1987, the amount of additional apportionment for each such airport under this clause shall be increased to $172,500 for fiscal year 1984, $195,000 for fiscal year 1985, $217,500 for fiscal year 1986, and $240,000 for fiscal year 1987.

(3) DISCRETIONARY FUND.—Any amounts not apportioned under paragraphs (1) and (2) of this subsection shall constitute a discretionary fund to be distributed at the discretion of the Secretary through project-grants, block-grants, or block-grant supplements for such projects at eligible airports as the Secretary considers most appropriate for carrying out the purposes of this Act: *Provided*, That—

(A) In the case of eligible reliever airports, no less than 10 percent of the funds authorized in section 6 shall be distributed to such reliever airports during the 6-year period from October 1, 1981 to September 30, 1987.

(B) In the case of eligible commercial service airports other than primary airports that are not located in a participating State and received Federal assistance for fiscal year 1980 under section 15(a)(3) of the Airport and Airway Development Act of 1970, the Secretary shall identify high-priority projects that would significantly increase the safety or capacity of such airports. The Secretary shall then make available to each such airport by way of project-grants such amounts from the discretionary fund as the Secretary deems appropriate for the purpose of carrying out such projects. In no event shall the amount of discretionary funds made available to each such airport during the 5-year period from October 1, 1982, to September 30, 1987, for such high-priority projects be less than the greater of (i) an amount equal to the aggregate amount that would have been apportioned to such airport during such 5-year period if that airport had been eligible to receive an apportionment under the formula in section 8(b)(1) or (ii) five times the minimum amount apportioned to the airport for fiscal year 1980 under section 15(a)(3) of the Airport and Airway Development Act of 1970.

(C) In the case of eligible public airports other than reliever or commercial service airports, no less than $300,000,000 of the funds apportioned to the States pursuant to paragraph (2) of this subsection and the funds apportioned to the discretionary fund of the Secretary pursuant to paragraph (3) of this subsection shall be distributed to

such public airports during the 6 year period from October 1, 1981, to September 30, 1987.

(D) In the case of airports that would otherwise be eligible to receive grants for airport development and airport planning under this Act but have voluntarily withdrawn from such programs under section 26(a), the Secretary shall make available to each such airport by way of project-grants such amounts from the discretionary fund as the Secretary deems appropriate for the purposes of land acquisition or improving noise compatibility at such airport as described in paragraphs 3(2)(C), 3(2)(D), and 3(2)(E) of this Act. In no event shall the amount of discretionary funds made available to each such airport during the 5-year period from October 1, 1982, to September 30, 1987, be less than the amount which would have been apportioned to each such airport during such 5-year period under the formulas in paragraphs 8(b)(1) and 8(b)(2) of this Act if such airports had not voluntarily withdrawn from the program.

(4) Notwithstanding paragraphs (1) and (2) of this subsection, the Secretary may apportion funds for airports in the State of Alaska in the same manner in which such funds were apportioned in fiscal year 1980 under section 15(a) of the Airport and Airway Development Act of 1970. In no event may the total amount apportioned for such airports pursuant to this paragraph in any fiscal year be less than the minimum amounts that were required to be apportioned to such airports in fiscal year 1980 under section 15(a)(3)(A) of the Airport and Airway Development Act of 1970.

(c) For the purposes of this section, all apportionments for any fiscal year which are determined by the number of passengers enplaned shall be based on passenger enplanement data for the preceding calendar year.

(d) If in any fiscal year the amount made available for obligation in such year is less than the amounts set forth in section 6 of this Act, the apportionments set forth in this section shall be proportionally reduced.

USE OF APPORTIONED FUNDS

SEC. 9. (a) EXCLUSIVE FORM OF OBLIGATION.—

(1) In the case of an eligible primary airport, the Secretary shall make the amount apportioned to such airport pursuant to section 8(b)(1) of this Act available for obligation to the sponsor of the airport by way of project-grants.

(2) In the case of any participating State, the Secretary shall make the amount apportioned to the participating State under section 8(b)(2) of this Act available for obligation to the State by way of block-grants.

(3) In the case of airports described in section 8(b)(2) that are located in a nonparticipating State, the Secretary shall make the amount apportioned to such nonparticipating State available for obligation to the sponsors of such airports located within the nonparticipating State by way of project-grants.

(b) DURATION OF AVAILABILITY.—Each amount apportioned under sections 8(b)(1) and 8(b)(2) of this Act shall be available for obligation by project-grant or block-grant agreement, as the case may be, during the fiscal year for which it was first authorized to be obligated and the 2 fiscal years immediately following. Any amount so apportioned which has not been obligated within such time shall be added to the discretionary fund established by section 8(b)(3) of this Act.

(c) TRANSFER OF CERTAIN APPORTIONMENTS OF PRIMARY AIRPORTS.—

(1) Funds apportioned to an eligible primary airport under section 8(b)(1) of this Act may, pursuant to a project-grant agreement, be distributed to the sponsor of the primary airport for use at any public airport of the sponsor which is in the national airport system plan.

(2) The owner or operator of an eligible primary airport may enter into an agreement with the Secretary whereby the owner or operator waives receipt of all or part of the funds apportioned to such airport under section 8(b)(1) of this Act on the condition that, at the election of the owner or operator, the Secretary will either—

(A) make the waived amount available for an approved project-grant to the sponsor of another eligible public-use airport which is a part of the same State or the same geographical area as the airport making the waiver, or

(B) supplement by the waived amount any block-grant made to the State in which the airport making the waiver is located for use at any eligible public airport included in the national airport system plan.

(d) INELIGIBLE AIRPORTS.—Nothing in this section shall be construed as authorizing the obligation by the Secretary, or a participating State, of any funds at an airport that has voluntarily withdrawn from the program pursuant to section 26(a) of this Act except in accordance with the provisions of that section.

PROJECT GRANTS: APPLICATION; APPROVAL

SEC. 10. (a)(1) ELIGIBILITY.—Any sponsor may apply to the Secretary for a project-grant for airport development or airport planning at an eligible airport that is either (A) a primary airport or (B) a reliever airport or (C) an airport described in section 8(b)(2) of this Act which is not located in a participating State. Nothing in this section, however, shall be construed as authorizing the submission of a project-grant application by any sponsor if the submission of such application by the sponsor is prohibited by State law.

(2) Notwithstanding any provision of this Act, the sponsor of any airport may submit a project-grant application for airport development (including noise compatibility projects) to the Secretary within 180 days after the date of enactment of this Act, and the Secretary may incur obligations to fund such projects, in accordance with the provisions of this Act, from funds available for obligation pursuant to section 8(b), if—

(A) a project-grant application or preapplication for such project was submitted to the Secretary before September 30, 1980; or

(B) the project was carried out after September 30, 1980, and before the date of enactment of this Act.

(b) APPLICATION.—

(1) The application shall set forth one or more projects of airport development or airport planning proposed to be undertaken. It shall be submitted to the Secretary in such form and containing such information as the Secretary may prescribe.

(2) Each eligible primary airport to which funds are apportioned under section 8(b)(1) of this Act must notify the Secretary, by such time and in a form containing such information as the Secretary may prescribe, of the fiscal year in which it intends to apply, by project-grant application, for such funds. If an airport does not provide such notification, the Secretary may defer approval of any application for such funds until the fiscal year immediately following the fiscal year in which the application is submitted.

(c) APPROVAL.—

(1) No project-grant application for airport development or airport planning may be approved by the Secretary unless the Secretary is satisfied that—

(A) the airport development or airport planning will be undertaken only in connection with eligible public-use airports included in the current national airport system plan;

(B) the project is consistent with the objectives of this Act as stated in section 2 of this Act;

(C) the project is reasonably consistent with plans (existing at the time of approval of the project) of public agencies authorized by the State in which the airport is located to plan for the development of the area surrounding the airport and will contribute to the accomplishment of the purposes of this Act;

(D) sufficient funds are available for that portion of the project costs which are not to be paid by the United States under this Act;

(E) the project will be completed without undue delay;

(F) the sponsor which submitted the project-grant application has legal authority to engage in the project as proposed; and

(G) all project sponsorship requirements prescribed by or under the authority of this Act have been or will be met.

(2) No project-grant application for airport development may be approved by the Secretary unless—

(A) all proposed airport development shall be in accordance with standards established or approved by the Secretary, including standards for site location, airport layout, site preparation, paving, lighting, and safety of approaches;

(B) the sponsor or a public agency or the United States or an agency thereof holds good title, satisfactory to the Secretary, to the landing area of the airport or site therefor, or gives assurance satisfactory to the Secretary that good title will be acquired;

(C) the application includes provision for (i) land required for the installation of approach light systems; (ii) touchdown zone and centerline runway lighting; or (iii) high intensity runway lighting, when it is determined by the Secretary that any such items are required for the safe and efficient use of the airport by aircraft, taking into account the type and volume of traffic utilizing the airport; and

(D) the Secretary is satisfied that fair consideration has been given to the interests of communities in or near the location of the proposed project.

(3) No project-grant application for airport development involving the location of an airport, an airport runway, or a major runway extension may be approved by the Secretary unless—

(A) the sponsor of the project certifies to the Secretary that there has been afforded to the public an opportunity for public hearings for the purpose of considering the economic, social, and environmental effects of the airport or runway location and its consistency with the goals and objectives of such planning as has been carried out by the community;

(B) the sponsor agrees that, upon request of the Secretary, the sponsor will submit a transcript of any such hearings to the Secretary;

(C) the Secretary consults with the Secretary of the Interior and the Administrator of the Environmental Protection Agency

with regard to any portion of the project which may have a significant impact on natural resources including, but not limited to, fish and wildlife, natural, scenic, and recreation assets, water and air quality, and other factors affecting the environment;

(D) the Secretary conducts a full and complete review, as a matter of public record, of any project found to have a significant adverse effect on natural resources and finds in writing that no feasible and prudent alternative exists and that all reasonable steps have been taken to minimize such adverse effect;

(E) the Governor of the State in which the project is to be located certifies in writing to the Secretary that there is reasonable assurance that the project will be located, designed, constructed, and operated so as to comply with applicable air and water quality standards. In any case where such standards have not been approved and where applicable air and water quality standards have been promulgated by the Administrator of the Environmental Protection Agency, certification shall be obtained from that Administrator. Notice of certification or refusal to certify shall be provided within 60 days after the project application has been received by the Secretary; and

(F) the Secretary conditions approval of the project-grant application on compliance during the construction and operation of the project with applicable air and water quality standards.

SPONSORSHIP REQUIREMENTS FOR PROJECT-GRANTS

SEC. 11. (a) REQUIREMENTS.—In addition to the requirements set forth in section 10 of this Act, the Secretary may not approve a project-grant application unless the Secretary receives written assurances, satisfactory to the Secretary, that—

(1) the airport to which the project relates will be available for public use on fair and reasonable terms and without unjust discrimination, including the requirement that (A) each air carrier using the airport shall be subject to such nondiscriminatory and substantially comparable rates, fees, rentals, and other charges and such nondiscriminatory and substantially comparable rules, regulations, and conditions as are applicable to all the air carriers which make similar use of the airport and which utilize similar facilities (whether as a tenant, nontenant or subtenant of another air carrier tenant), subject to reasonable classifications such as tenants or nontenants, and combined passenger and cargo flights or all cargo flights, and such classification or status as tenant shall not be unreasonably withheld by any airport provided an air carrier assumes obligations substantially similar to those already imposed on tenant air carriers, and (B) each fixed-based operator at the airport shall be subject to the same rates, fees, rentals, and other charges as are uniformly applicable to all other fixed-based operators making the same or similar uses of the airport utilizing the same or similar facilities;

(2) the airport and all facilities thereon or connected therewith will be suitably operated and maintained, with due regard to climatic and flood conditions;

(3) the aerial approaches to the airport will be adequately cleared and protected by removing, lowering, relocating, marking, or lighting or otherwise mitigating existing airport hazards and by preventing the establishment or creation of future airport hazards;

(4) appropriate action, including the adoption of zoning laws, has been or will be taken, to the extent reasonable, to restrict the use of land adjacent to or in the immediate vicinity of the airport to activities and purposes compatible with normal airport operations, including landing and takeoff of aircraft;

(5) all of the facilities of the airport developed with Federal financial assistance and all those usable for landing and takeoff of aircraft will be available to the United States for use by Government aircraft in common with other aircraft at all times without charge, except, if the use by Government aircraft is substantial, charge may be made for a reasonable share, proportional to such use, of the cost of operating and maintaining the facilities used;

(6) the airport operator or owner will furnish without cost to the Federal Government for use in connection with any air traffic control or navigation activities, or weather-reporting and communication activities related to air traffic control, any areas of land or water, or estate therein, or rights in buildings of the sponsor as the Secretary considers necessary or desirable for construction at Federal expense of space or facilities for such purposes;

(7) all project accounts and records will be kept in accordance with a standard system of accounting prescribed by the Secretary after consultation with appropriate public agencies;

(8) the airport operator or owner will maintain a fee and rental structure for the facilities and services being provided the airport users which will make the airport as self-sustaining as possible under the circumstances existing at that particular airport, taking into account such factors as the volume of traffic and economy of collection, except that no part of the Federal share of an airport development or airport planning project for which a grant is made under this Act or under the Federal Airport Act or the Airport and Airway Development Act of 1970, as amended, shall be included in the rate base in establishing fees, rates, and charges for users of that airport;

(9) the airport operator or owner will submit to the Secretary such annual or special airport financial and operations reports as the Secretary may reasonably request;

(10) the airport and all airport records will be available for inspection by any duly authorized agent of the Secretary upon reasonable request;

(11) all revenues generated by the airport, if it is a public airport, will be expended for the capital or operating costs of the airport, the local airport system, or other local facilities which are owned or operated by the owner or operator of the airport and directly related to the actual transportation of passengers or property; *Provided, however,* That if covenants or assurances in debt obligations previously issued by the owner or operator of the airport, or provisions in governing statutes controlling the owner or operator's financing, provide for the use of the revenues from any of the airport owner or operator's facilities, including the airport, to support not only the airport but also the airport owner or operator's general debt obligations or other facilities, then this limitation on the use of all other revenues generated by the airport shall not apply; and

(12) a sponsor who receives a grant for the purchase of land for noise compatibility purposes which is conditioned on the disposal of the acquired land at the earliest practicable time will, subject to the retention or reservation of any interest or right therein necessary to insure that such land is used only for purposes which are compatible with the noise levels of the operation of the airport, use its best efforts to so dispose of the land. The proceeds of such dispositions shall be refunded to the United States for the Trust Fund on a basis proportionate to the United States share of the cost acquisition of the land.

(b) COMPLIANCE.—To insure compliance with this section, the Secretary shall prescribe such project sponsorship requirements in regard to the airport to which the project relates as are consistent with the terms of this Act and as the Secretary considers necessary. Among other steps to insure compliance, the Secretary is authorized to enter into contracts with public agencies on behalf of the United States. Whenever the Secretary obtains from a sponsor any area of land or water, or estate therein, or rights in buildings of the sponsor and constructs space or facilities thereon at Federal expense, the Secretary is authorized to relieve the sponsor from any contractual obligation entered into under this Act, the Airport and Airway Development Act of 1970, as amended, or the Federal Airport Act to provide free space in airport buildings to the Federal Government to the extent the Secretary finds that space is no longer required for the purposes set forth in paragraph (6) of subsection (a).

BLOCK GRANTS

SEC. 12. (a) ELIGIBILITY.—Any State may apply to the Secretary to receive a block-grant from funds apportioned to such State under section 8(b)(2) of this Act.

(b) APPROVAL.—The Secretary shall approve a block-grant application, and enter into a block-grant agreement with the applicant State in accordance with the provisions of this Act, upon finding that:

(1) The applicant State has, through appropriate legislative action, agreed to participate in the block-grant program, designated the State agency or organization that will have responsibilty for administering the program, and agreed to obligate State funds of the applicant State for airport development in an amount at least equal to 10 percent of the amount of Federal block-grant funds awarded to the applicant State.

(2) The applicant State's designated agency or organization is capable of administering a block-grant. The Secretary shall make such determination upon consideration of the resources available to the applicant State's designated agency or organization, in accordance with such regulations as the Secretary may prescribe.

(3) The applicant State has prepared, or will have prepared by January 1, 1984, a State airport system plan consistent with such criteria as the Secretary may require.

(4) The applicant State has provided reasonable assurance that Federal funds apportioned to the applicant State under section 8(b)(2) will be used to supplement and increase the level of applicant State, local, and other non-Federal funds that would in the absence of such Federal funds be made available for allowable project costs as set forth in section 16 of this Act, and will in no event replace such applicant State, local, and other non-Federal funds.

(5) The applicant State has agreed that—

(A) it will submit a State development report for the information of the Secretary not later than the close of the third month of any fiscal year for which funds will be made available under this subsection;

(B) it will enforce compliance with assurances received by it from those to whom it

distributes funds from a block-grant, and such assurances shall include any which the Secretary may require the State to impose;

(C) it will monitor compliance with outstanding assurances made under the Federal Airport Act, the Airport and Airway Development Act of 1970, as amended, and the Surplus Property Act of 1944 at all airports which receive funds from a block-grant and will report to the Secretary any noncompliance with such assurances;

(D) it has given notice, to owners or operators of airports located within the applicant State which are eligible to receive funds from a block-grant, of its intent to apply for a block-grant; and

(E) it will collect and provide such safety or enplanement data, if the necessary data is not available from a Federal agency, as the Secretary may require with respect to public-use airports within the State.

(c) REVOCATION OF APPROVAL.—The Secretary may revoke any approval of a block-grant issued pursuant to this section upon finding that the participating State has not fulfilled all of the conditions specified in subsection (b) of this section or the block-grant agreement made pursuant to such approval.

(d) USE OF BLOCK-GRANT FUNDS.—

(1) Except as provided in paragraph (2) of this subsection, all funds distributed to a participating State as a block-grant shall be obligated or expended only for projects of airport development or airport planning at airports described in section 8(b)(2) of this Act which are located in the participating State and included in the participating State's current State airport system plan or in the national airport system plan.

(2) A participating State may apply not more than 1.5 percent of its annual apportionment under section 8(b)(2) to maintaining the currency of its State airport system plan, but no block-grant funds may be used to pay administrative costs incurred by the participating State in fulfilling the requirements of this Act or in distributing block-grant funds to eligible airports.

(3) A participating State which accepts a block-grant offer pursuant to this Act shall, not later than the close of the fiscal year following the fiscal year in which the offer is accepted, enter into binding agreements to commit all funds to be made available by the United States, to fund eligible airport planning or development projects. Any funds which have not been committed pursuant to such binding agreements shall revert to the United States at the close of such following fiscal year for credit to the discretionary fund established by subsection 8(b)(3) of this Act.

(e) STATE STANDARDS.—

(1) Except as provided in paragraph (2) of this subsection, all airport development pursuant to a block-grant under this section shall be in accordance with standards established or approved by the Secretary, including standards for site location, airport layout, site preparation, paving, lighting, and safety of approaches.

(2) The Secretary is authorized to approve standards, other than standards for the safety of approaches, established by a participating State for airport development in such participating State at public-use airports that are not primary airports, and, upon such approval, the State standards shall be the standards applicable to such airports in lieu of any comparable standard established under paragraph (a)(2) of this section. State standards approved under this subsection may be revised as the participating State or the Secretary determines to be necessary. Revisions initiated by a participating State shall be subject to the approval of the Secretary.

BLOCK-GRANT SUPPLEMENTS

SEC. 13. (a) ELIGIBILITY.—Any participating State may apply to the Secretary to receive a block-grant supplement from funds available to the Secretary for discretionary distribution pursuant to section 8(b)(3) of this Act.

(b) APPLICATION.—Any application for a block-grant supplement under this section shall be submitted to the Secretary in such form and manner as the Secretary may prescribe. Each application shall identify the specific projects for which funds are requested. Any participating State that submits an application for a block-grant supplement under this section during the first 3 months of any fiscal year shall submit a current State development report to the Secretary along with such application.

(c) APPROVAL.—The Secretary may approve any application for a block-grant supplement if the projects to be funded under the application satisfy all of the eligibility criteria applicable to projects funded under block grants. Approval of any application shall be solely at the discretion of the Secretary.

(d) BLOCK-GRANT SUPPLEMENT AGREEMENT.—If the Secretary approves an application for a block-grant supplement under this section, he shall enter into a block-grant supplement agreement with the participating State. The agreement shall contain the same requirements and restrictions as a block-grant agreement.

CONCLUSIONARY CERTIFICATIONS; CONSULTATION

SEC. 14. (a) CONCLUSIONARY CERTIFICATIONS.—In determining compliance with the requirements of this Act and other Federal laws, the Secretary shall, to the greatest extent practicable consistent with the objectives of this Act and other Federal laws, require conclusionary certifications from sponsors that they have complied or will comply with all of the statutory, regulatory, and procedural requirements that are imposed in connection with a project-grant, block-grant, or block-grant supplement under this Act or other Federal laws. Acceptance by the Secretary of certification from a sponsor may be rescinded at any time.

(b) CONSULTATION.—In making a decision to undertake any airport development project under this Act, each sponsor of an airport shall undertake reasonable consultations with affected parties using the airport at which the project is proposed.

GRANT AGREEMENTS

SEC. 15. (a) Upon approving a project-grant, block-grant, or block-grant supplement application, the Secretary, on behalf of the United States, shall transmit to the sponsor or sponsors of the application an offer to make a grant for the United States share of allowable project costs. The offer shall be made upon such terms and conditions as the Secretary considers necessary to meet the requirements of this Act and any regulations prescribed thereunder. Each offer shall state a definite amount as the maximum obligation of the United States payable from funds made available to carry out the provisions of this Act, and shall stipulate the obligations to be assumed by the sponsor or sponsors. In any case where the Secretary approves a project-grant application for a project which will not be completed in 1 fiscal year, the offer shall, upon request of the sponsor, provide for the obligation of funds apportioned or to be apportioned to the airport pursuant to section 8(b)(1) of this Act for such fiscal years (including future fiscal years) as may be necessary to pay the United States share of the cost of such project. If and when an offer is accepted in writing by the sponsor, the offer and acceptance shall comprise an agreement constituting an obligation of the United States and of the sponsor. Unless and until an agreement has been executed, the United States may not pay, nor be obligated to pay, any portion of the costs which have been or may be incurred.

(b) When an offer is accepted in writing by a sponsor, the amount stated in the offer as the maximum obligation of the United States may not be increased, except that—

(1) in the case of project grants for airport development, the United States share for project costs other than land acquisition may be increased by not more than 10 percent;

(2) in the case of project costs for the acquisition of land or interests in land as described in paragraphs 3(2)(C) or 3(2)(D) of this Act, the United States share of such project costs may be increased by an amount not to exceed 50 percent of the total increase in allowable project costs attributable to such acquisition in land or interests therein; and

(C) Notwithstanding any other provision of law in the case of grants made under the Airport and Airway Development Act of 1970, as amended, the maximum obligation of the United States may be increased by not more than 10 percent: *Provided*, That any additional obligation of the United States may be paid for only from funds recovered by the United States from other grants made under that Act.

PROJECT COSTS

SEC. 16. (a) ALLOWABLE PROJECT COSTS.—Except as provided in section 18 of this Act, the United States may not pay, nor be obligated to pay, from amounts made available to carry out the provisions of this Act, any portion of a project cost incurred in carrying out a project for airport development or airport planning unless the Secretary has first determined that the cost is allowable. A project cost is allowable if—

(1) it was a necessary and direct cost incurred in accomplishing an approved project in conformity with the terms and conditions of the grant agreement entered into in connection with the project, including any costs incurred by a recipient in connection with any audit required by the Secretary pursuant to section 22(b) of this Act;

(2) it was incurred subsequent to the execution of the grant agreement with respect to the project, and in connection with airport development or airport planning accomplished under the project after the execution of the agreement. However, the allowable costs of a project for airport development may include any necessary and direct costs of formulating the project (including the costs of field surveys and the preparation of plans and specifications, the acquisition of land or interests therein or easements through or other interests in airspace, and any necessary and direct administrative or other incidental costs incurred by the sponsor specifically in connection with the accomplishment of the project for airport development, which would not have been incurred otherwise) which were incurred subsequent to May 13, 1946, and the

allowable costs for a project of airport planning may include any necessary and direct costs associated with developing the project work scope which were incurred subsequent to May 13, 1946;

(3) in the opinion of the Secretary it is reasonable in amount, and if the Secretary determines that a project cost is unreasonable in amount, the Secretary may allow as an allowable project cost only so much of the project cost as the Secretary determines to be reasonable, except that in no event may the Secretary allow project costs in excess of the definite amount stated in the grant agreement except to the extent authorized by this Act; and

(4) it has not been incurred in any other project for airport planning or airport development for which Federal assistance has been granted.

The Secretary is authorized to prescribe such regulations, including regulations with respect to the auditing of project costs, as the Secretary considers necessary to accomplish the purposes of this section.

(b) TERMINAL DEVELOPMENT.—

(1) Notwithstanding the provisions of subsection (c) of this section, upon certification by the sponsor of any commercial service airport that such airport has, on the date of submittal of the grant application, provided all the safety equipment required for certification of such airport under section 612 of the Federal Aviation Act of 1958, as amended, has provided all the security equipment required by rule or regulation, and has provided for access to the passenger enplaning and deplaning area of such airport to passengers enplaning or deplaning from aircraft providing scheduled service, the Secretary may approve, as an allowable project cost of a project for airport development at such airport, terminal development (including multimodal terminal development) in nonrevenue producing public-use areas if such project cost is directly related to the movement of passengers and baggage in air commerce within the boundaries of the airport, including, but not limited to, vehicles for the movement of passengers between terminal facilities or between terminal facilities and aircraft.

(2) No more than 60 percent of the sums apportioned under section 8(b)(1) of this Act to an eligible primary airport for any fiscal year may be obligated at such airport for project costs allowable under paragraph (1) of this subsection. No more than $200,000 of the sums apportioned under section 8(b)(2) for any fiscal year which are distributed to a commercial service airport which is not a primary airport may be used at such airport for project costs allowable under paragraph (1) of this subsection. In no event shall funds available for discretionary distribution by the Secretary pursuant to section 8(b)(3) of this Act be obligated at any primary airport for project costs allowable under paragraph (1) of this subsection.

(3) Notwithstanding any other provisions of this Act, the United States share of project costs allowable under paragraph (1) of this subsection shall not exceed 50 percent.

(4) The Secretary shall approve project costs allowable under paragraph (1) of this subsection under such terms and conditions as may be necessary to protect the interests of the United States.

(c) COSTS NOT ALLOWED.—Except as provided in subsection (b) of this section, the following are not allowable project costs: (1) the cost of construction of that part of an airport development project intended for use as a public parking facility for passenger automobiles; or (2) the cost of construction, alteration, or repair of a hangar or of any part of an airport building except such of those buildings or parts of buildings intended to house facilities or activities directly related to the safety of persons at the airport; or (3) indirect costs.

UNITED STATES SHARE OF PROJECT COSTS

SEC. 17. (a) GENERAL PROVISION.—Except as otherwise provided in this section, the United States share of allowable project costs payable on account of any project funded under a project-grant, block-grant, or block-grant supplement shall not exceed 90 percent of the allowable project costs.

(b) PROJECTS AT CERTAIN PRIMARY AIRPORTS.—In the case of primary airports enplaning .25 percent or more of the total number of passengers enplaned annually at all commercial service airports, the United States share of the allowable project costs payable on account of any project contained in an approved project-grant application shall not exceed 75 percent of the allowable project costs.

(c) PROJECTS IN PUBLIC LANDS STATES.—In the case of any State containing unappropriated and unreserved public lands and nontaxable Indian lands (individual and tribal) exceeding 5 percent of the total area of all lands therein, the United States share under subsection (a) of this section shall be increased by whichever is the smaller of the following percentages thereof: (1) 25 percent, or (2) a percentage equal to one-half of the percentage that the area of all such public and nontaxable Indian lands in the State is of its total area. In no event shall such United States share, as increased by this subsection, exceed the greater of (1) the percentage share determined under subsection (a) of this section, or (2) the percentage share applying on June 30, 1975, as determined under subsection 17(b) of the Airport and Airway Development Act of 1970, as amended.

PAYMENTS UNDER GRANT AGREEMENTS

SEC. 18. (a) PROJECT-GRANT AGREEMENTS.—The Secretary, after consultation with the sponsor with which a project-grant agreement has been entered into, may determine the times and amounts in which payments shall be made under the terms of agreement. Payments in an aggregate amount not to exceed 90 percent of the United States share of the total estimated allowable project costs may be made from time to time in advance of accomplishment of the airport project to which the payments relate, if the sponsor certifies to the Secretary that the aggregate expenditures to be made from the advance payments will not at any time exceed the cost of the airport development work which has been performed up to that time.

(b) BLOCK-GRANT AND BLOCK-GRANT SUPPLEMENT AGREEMENTS.—The Secretary, after entering into a block-grant or block-grant supplement agreement with a participating State, shall make payment to such participating State of the United States share of the allowable project costs of projects funded through the block-grant or block-grant supplement. Such payment may be effected through a letter-of-credit system.

(c) PROJECT-GRANT, BLOCK-GRANT, AND BLOCK-GRANT SUPPLEMENT AGREEMENTS.—If the Secretary determines that the aggregate amount of payments made under a project-grant, block-grant, or block-grant supplement agreement at any time exceeds the United States share of the total allowable project costs, the United States shall be entitled to recover the excess. If the Secretary finds that any airport development or airport planning to which the advance payments relate has not been completed, the United States may recover any part of the advance payment for which the United States received no benefit. Payments under a project-grant, block-grant, or block-grant supplement agreement shall be made to the official or depository authorized by law to receive public funds and designated by the sponsor or participating State.

PERFORMANCE OF CONSTRUCTION WORK

SEC. 19. (a) REGULATIONS.—The construction work on any project for airport development contained in an approved project-grant application submitted in accordance with this Act shall be subject to inspection and approval by the Secretary and shall be in accordance with regulations prescribed by the Secretary. Such regulations shall require such cost and progress reporting by the sponsor or sponsors of the project as the Secretary shall deem necessary. No such regulation shall have the effect of altering any contract in connection with any project entered into without actual notice of the regulation.

(b) MINIMUM RATES OF WAGES.—All contracts in excess of $2,000 for work under project-grants for airport development approved under this Act which involve labor shall contain provisions establishing minimum rates of wages, to be predetermined by the Secretary of Labor, in accordance with the Davis-Bacon Act, as amended (40 U.S.C. 276a—276a-5), which contractors shall pay to skilled and unskilled labor, and such minimum rates shall be stated in the invitation for bids and shall be included in proposals or bids for the work.

(c) VETERANS PREFERENCE.—All contracts for work under project-grants for airport development approved under this Act which involve labor shall contain such provisions as are necessary to insure that, in the employment of labor (except in executive, administrative, and supervisory positions), preference shall be given to veterans of the Vietnam era and disabled veterans. However, this preference shall apply only where the individuals are available and qualified to perform the work to which the employment relates. For the purposes of this subsection—

(1) a Vietnam-era veteran is an individual who served on active duty as defined by section 101(21) of title 38 of the United States Code in the Armed Forces for a period of more than 180 consecutive days any part of which occurred during the period beginning August 5, 1964, and ending May 7, 1975, and who was separated from the Armed Forces under honorable conditions; and

(2) a disabled veteran is an individual described in section 2108(2) of title 5 of the United States Code.

USE OF GOVERNMENT-OWNED LANDS

SEC. 20. (a) REQUESTS FOR USE.—Subject to the provisions of subsection (c) of this section, whenever the Secretary determines that use of any lands owned or controlled by the United States is reasonably necessary for carrying out a project under this Act at a public airport, or for the operation of any public airport, including lands reasonably necessary to meet future development of an airport in accordance with the national airport system plan, the Secretary shall file with the head of the department or agency having control of the lands a request that the necessary property interests therein be

conveyed to the public agency sponsoring the project in question or owning or controlling the airport. The property interest may consist of the title to, or any other interest in, land or any easement through or other interest in airspace.

(b) MAKING OF CONVEYANCES.—Upon receipt of a request from the Secretary under this section, the head of the department or agency having control of the lands in question shall determine whether the requested conveyance is inconsistent with the needs of the department or agency, and shall notify the Secretary of the determination within a period of 4 months after receipt of the Secretary's request. If the department or agency head determines that the requested conveyance is not inconsistent with the needs of that department or agency, the department or agency head is hereby authorized and directed, with the approval of the Attorney General of the United States, and without any expense to the United States, to perform any acts and to execute any instruments necessary to make the conveyance requested. A conveyance may be made only on the condition that, at the option of the Secretary, the property interest conveyed shall revert to the United States in the event that the lands in question are not developed for airport purposes or used in a manner consistent with the terms of the conveyance. If only a part of the property interest conveyed is not developed for airport purposes, or used in a manner consistent with the terms of the conveyance, only that particular part shall, at the option of the Secretary, revert to the United States.

(c) EXEMPTION OF CERTAIN LANDS.—Unless otherwise specifically provided by law, the provisions of subsections (a) and (b) of this section shall not apply with respect to lands owned or controlled by the United States within any national park, national monument, national recreation area, or similar area under the administration of the National Park Service; within any unit of the National Wildlife Refuge System or similar area under the jurisdiction of the United States Fish and Wildlife Service; or within any national forest or Indian reservation.

FALSE STATEMENTS

SEC. 21. Any officer, agent, or employee of the United States, or any officer, agent, or employee of any public agency, or any person, association, firm, or corporation who, with intent to defraud the United States—

(1) knowingly makes any false statement, false representation, or false report as to the character, quality, quantity, or cost of the material used or to be used, or the quantity or quality of the work performed or to be performed, or the costs thereof, in connection with the submission of plans, maps, specifications, contracts, or estimates of project costs for any project submitted to the Secretary for approval under this Act;

(2) knowingly makes any false statement, false representation, or false report or claim for work or materials for any project approved by the Secretary under this Act; or

(3) knowingly makes any false statement or false representation in any report or certification required to be made under this Act;

shall, upon conviction thereof, be punished by imprisonment for not to exceed 5 years, or by a fine of not to exceed $10,000, or by both.

ACCESS TO RECORDS

SEC. 22. (a) RECORDKEEPING REQUIREMENTS.—Each recipient of a grant under this Act shall keep such records as the Secretary may prescribe, including records which fully disclose the amount and the disposition by the recipient of the proceeds of the grant, the total cost of the plan or program in connection with which the grant is given or used, and the amount and nature of that portion of the cost of the plan or program supplied by other sources, and such other records as will facilitate an effective audit. The Secretary shall annually review the reporting and recordkeeping requirements under this Act to insure that such requirements are kept to the minimum level necessary for the proper administration of this Act.

(b) AUDIT AND EXAMINATION.—The Secretary and the Comptroller General of the United States, or any of their duly authorized representatives, shall have access for the purpose of audit and examination to any books, documents, papers, and records of the recipient that are pertinent to grants received under this Act. The Secretary may require, as a condition to receipt of a grant under this Act, that an appropriate audit be conducted by a recipient. The Secretary may require appropriate audit and examination by participating States of any books, documents, papers, and records of any recipient of funds from a block-grant apportioned or a block-grant supplement distributed to such States under this Act.

(c) AUDIT REPORTS.—In any case in which an independent audit is made of the accounts of a recipient of a grant under this Act relating to the disposition of the proceeds of the grant or relating to the plan or program in connection with which the grant was given or used, the recipient shall file a certified copy of the audit with the Comptroller General of the United States not later than 6 months following the close of the fiscal year for which the audit was made. On or before April 15 of each year the Comptroller General shall report to the Congress describing the results of each audit conducted or reviewed by him under this section during the preceding fiscal year. The Comptroller General shall prescribe such regulations as are deemed necessary to carry out the provisions of this subsection.

(d) WITHHOLDING INFORMATION.—Nothing in this section shall authorize the withholding of information by the Secretary or the Comptroller General of the United States, or any officer or employee under the control of either of them, from the duly authorized committees of the Congress.

GENERAL POWERS

SEC. 23. The Secretary is empowered to perform such acts, to conduct such investigations and public hearings, to issue and amend such orders, and to make and amend such regulations and procedures, pursuant to and consistent with the provisions of this Act, as the Secretary considers necessary to carry out the provisions of, and to exercise and perform the Secretary's powers and duties, under this Act.

CIVIL RIGHTS

SEC. 24. The Secretary shall take affirmative action to assure that no person shall, on the grounds of race, creed, color, national origin, or sex, be excluded from participating in any activity conducted with funds received from any grant made under this Act. The Secretary shall promulgate such rules as the Secretary deems necessary to carry out the purposes of this section and may enforce this section, and any rules promulgated under this section, through agency and department provisions and rules which shall be similar to those established and in effect under title VI of the Civil Rights Act of 1964. The provisions of this section shall be considered to be in addition to and not in lieu of the provisions of title VI of the Civil Rights Act of 1964.

JUDICIAL ENFORCEMENT

SEC. 25. (a) JUDICIAL ENFORCEMENT.—

(1) If any person violates any provision of this Act, or any rule, regulation, requirement, or order thereunder, the Secretary may, through the Attorney General, apply to the district court of the United States for any district wherein the airport or sponsor related to such violation is located, for the enforcement of such provision of this Act, or of such rule, regulation, requirement, or order; and such court shall have jurisdiction to enforce obedience thereto by a writ of injunction or other process, mandatory or otherwise, restraining such person or such person's agents, employees, and representatives from further violation of such provision of this Act or of such rule, regulation, requirement, or order and requiring their obedience thereto.

(2) Upon request of the Secretary, any United States Attorney to whom the Secretary may apply is authorized to institute in the appropriate district court and to prosecute under the direction of the Attorney General all necessary proceedings for the enforcement of the provisions of this Act or any rule, regulation, requirement, or order thereunder. The costs and expenses of such prosecutions shall be paid out of the appropriations for the expenses of the courts of the United States.

(b) PARTICIPATION IN COURT PROCEEDINGS.—Upon request of the Attorney General, the Secretary shall have the right to participate in any proceeding in court regarding the provisions of this Act.

(c) JOINDER OF PARTIES.—In any proceedings for the enforcement of the provisions of this Act, or any rule, regulation, requirement, or order thereunder, it shall be lawful to include as parties, or to permit the intervention of, all persons interested in or affected by the matter under consideration; and inquiries, investigations, orders, and decrees may be made with reference to all such parties in the same manner, to the same extent, and subject to the same provisions of law as they may be made with respect to the persons primarily concerned.

VOLUNTARY WITHDRAWAL FROM PROGRAM

SEC. 26. (a) For any fiscal year beginning after September 30, 1982, any airport that otherwise would be eligible to receive Federal assistance for airport development or airport planning under this Act may voluntarily elect not to receive such assistance. If an airport does voluntarily elect not to receive such assistance for any fiscal year, it shall be ineligible to receive assistance for airport development or airport planning under this Act for that fiscal year or any subsequent fiscal year, except to the extent permitted under sections 8(b)(3)(D) and 10(a)(2) of this Act.

(b)(1) Not later than 1 year after the date of enactment of this Act, the Secretary shall submit to the Congress a report on whether, and to what extent, those airports which have the ability to finance their capital and operating needs without Federal assistance should be made ineligible to receive Federal assistance for airport development and airport planning under this Act.

(2) The study shall consider, among other things: (A) what effect, if any, making such airports ineligible for such Federal assist-

ance would have on the national airport system; (B) whether airports which are made ineligible for assistance, or voluntarily withdraw from the program, should be permitted to collect a passenger facility charge; (C) how such a passenger facility charge could be collected in order to minimize any cost and inconvenience for passengers, airports and air carriers; (D) the extent to which such a program would permit a reduction in Federal taxes on air transportation; (E) whether the net effect of such a program would lower or increase the cost of air transportation to passengers on our Nation's air carriers; and (F) whether the Congress should implement such a program prior to the expiration of this Act.

(3) In conducting the study, the Secretary shall consult with airport operators, air carriers, and representatives of any other groups which may be substantially affected by such a program.

WAIVER OF CERTAIN OBLIGATIONS

SEC. 27. (a)(1) No later than 180 days after the date of enactment of this Act, the Secretary shall establish procedures pursuant to which the owner or operator of any airport that voluntarily chooses not to receive Federal assistance under this Act pursuant to the provisions of section 26(a) of the Act, may, at its option, terminate any existing assurances, requirements, or contractual obligations with the United States that arose from the acceptance of Federal assistance under, or that are contained in grant agreements, deeds, or other instruments of conveyance issued pursuant to, this Act, the Federal Airport Act of 1946 (49 U.S.C. 1101 et seq.), the Airport and Airway Development Act of 1970 (49 U.S.C. 1711 et seq.) or the Surplus Property Act of 1944.

(2) If the owner or operator of an airport, pursuant to paragraph (1) of this subsection, elects to terminate a financial obligation owed to the United States, the Secretary is authorized to settle the obligation in an amount not exceeding the maximum obligation stated in the existing agreement, less any payments made thereon.

(3) Notwithstanding paragraphs (1) and (2) of this subsection, neither the owner or operator of an airport nor the Secretary may terminate any assurance specified in paragraphs (1), (2), (3), (4), (5), (6), (8), (10), (11), and (12) of section 11 of this Act or in paragraphs (1) through (6), (8), and (10) of section 18 of the Airport and Airway Development Act of 1970 (49 U.S.C. 1718), as such Act was in effect on the date of enactment of this paragraph.

(4) Notwithstanding any other provision of law, any airport that received or receives Federal assistance under this Act, the Federal Airport Act of 1946, the Airport and Airway Development Act of 1970 (49 U.S.C. 1711 et seq.) or the Surplus Property Act of 1944, either before or after the date of enactment of this paragraph, shall be available for public use on fair and reasonable terms and without unjust discrimination, including the requirement that (A) each air carrier, authorized by certificate or exemption to engage directly in air transportation pursuant to section 401, 402, or 418 of the Federal Aviation Act of 1958, using the airport shall be subject to such nondiscriminatory and substantially comparable rates, fees, rentals, and other charges and such nondiscriminatory and substantially comparable rules, regulations, and conditions as are applicable to all such air carriers which make similar use of the airport and which utilize similar facilities (whether as a tenant, nontenant, or subtenant of another air carrier tenant), subject to reasonable classifications such as tenants or nontenants, and combined passenger and cargo flights or all cargo flights, and such classification or status as tenant shall not be unreasonably withheld by any airport provided an air carrier assumes obligations substantially similar to those already imposed on tenant air carriers, and (B) each fixed-based operator at the airport shall be subject to the same rates, fees, rentals, and other charges as are uniformly applicable to all other fixed-based operators making the same or similar use of the airport utilizing the same or similar facilities.

(5) If an airport that voluntarily chooses not to receive Federal assistance for airport development or airport planning pursuant to section 26(a) does receive Federal assistance for land acquisition or noise compatibility projects pursuant to section 8(b)(3)(D), nothing in this section shall be construed as requiring the Secretary to terminate any assurances, requirements, or contractual obligations of such airport to the extent that such assurances, requirements, or contractual obligations relate to the land acquisition or noise compatibility projects.

(b) No State or political agency of one or more States shall enact or enforce any law, rule, regulation, standard, or other provision having the force and effect of law relating to (1) the operating safety of an airport subject to section 612 of the Federal Aviation Act of 1958 (49 U.S.C. 1432), or (2) any assurance, obligation, or requirement from which an airport owner or operator has been released by the Secretary under this section.

REPEALS; EFFECTIVE DATE; SAVING PROVISIONS; SEPARABILITY

SEC. 28. (a) REPEALS.—Except as otherwise provided in this Act, sections 1 through 31 of the Airport and Airway Development Act of 1970, as amended (49 U.S.C. 1701-1731), are repealed on the date of enactment of this Act.

(b) EFFECTIVE DATE.—The provisions of this Act shall enter into effect on the date of enactment of this Act.

(c) SAVING PROVISIONS.—

(1) All orders, determinations, rules, regulations, permits, contracts, certificates, licenses, grants, rights, and privileges which have been issued, made, granted, or allowed to become effective by the President, the Secretary, or any court of competent jurisdiction under any provision of the Airport and Airway Development Act of 1970, as amended, or the Federal Airport Act, as amended, which are in effect at the time this Act takes effect, are continued in effect according to their terms until modified, terminated, superseded, set aside, or repealed by the Secretary or by any court of competent jurisdiction, or by operation of law.

(2) Notwithstanding any other provision of this Act, amounts apportioned before October 1, 1980, pursuant to section 15(a)(3) of the Airport and Airway Development Act of 1970, as amended, and which have not been obligated by grant agreement before that date, shall remain available for obligation, for the duration of time specified in section 15(a)(5) of that Act, in accordance with the provisions of that Act, to the same extent as though that Act had not been repealed; except that nothing in this paragraph shall be construed as authorizing the obligation of any amount at an airport that has voluntarily withdrawn from the program pursuant to section 26(a) except in accordance with the provisions of that section.

(d) SEPARABILITY.—If any provision of this Act or the application thereof to any person or circumstance is held invalid, the remainder of the Act and the application of the provision to other persons or circumstances is not affected thereby.

REPORT TO CONGRESS ON AIRPORT AND AIRWAY TRUST FUND

SEC. 29. On or before the first day of March of each year, the Secretary shall transmit to the Congress a balance sheet for the Airport and Airway Trust Fund describing, in general terms, the revenues and expenditures of the Fund for the preceding fiscal year.

STANDARDS FOR RUNWAY FRICTION

SEC. 30. The last sentence of section 612(b) of the Federal Aviation Act of 1958 (49 U.S.C. 1432(b)), is amended by inserting "(1)" immediately after the words "relating to" and by inserting the following immediately before the period at the end thereof ", and (2) such grooving or other friction treatment for primary and secondary runways as the Secretary determines to be necessary".

EQUAL AERONAUTICAL ACCESS

SEC. 31. (a) Section 308 of the Federal Aviation Act of 1958 (49 U.S.C. 1349) is amended—

(1) by striking the last sentence in subsection (a); and

(2) by adding at the end thereof the following new subsection:

"EQUAL AERONAUTICAL ACCESS

"(c)(1) There shall be no exclusive right for the use of any landing area or air navigation facility upon which Federal funds have been expended. All airports upon which Federal funds have been expended shall be available for public use on fair and reasonable terms and without unjust discrimination, and each such airport shall be open to all types, kinds, and classes of aeronautical use on fair and reasonable terms without unjust discrimination among such types, kinds, and classes of aeronautical use. Further, each air carrier using such airport shall be subject to such nondiscriminatory and substantially comparable rules, regulations, and conditions as are applicable to all such air carriers which make similar use of such airport and which utilize similar facilities, (whether as a tenant, nontenant, or subtenant of another air carrier tenant), subject to such reasonable classifications such as tenants or nontenants, and combined passenger and cargo flights or all cargo flights, and such classification or status as tenant shall not be unreasonably withheld by any airport provided an air carrier assumes obligations substantially similar to those already imposed on tenant air carriers.

"(2) Nothing in this subsection shall be construed as prohibiting the owner or operator of an airport from (A) establishing such fair, equal, and not unjustly discriminatory conditions to be met by all users of the airport as may be necessary for the safe and efficient operation of the airport or (B) prohibiting or limiting any type, kind, or class of aeronautical use of the airport if such action is necessary for the safe operation of the airport or necessary to serve the civil aviation needs of the public.".

(b) Section 1007(a) of the Federal Aviation Act of 1958 (49 U.S.C. 1487(a)) is amended by inserting the words "section 308(c) or" before the words "section 401(a) of this Act".

(c) The table of contents of the Federal Aviation Act of 1958 is amended by inserting at the end of the item relating to section 308, the following:

"(c) Equal aeronautical access.".

CONFORMING AMENDMENT

SEC. 32. (a) Section 101(1) of the Aviation Safety and Noise Abatement Act of 1979 (49 U.S.C. 2101(1)) is amended to read as follows:

"(1) the term 'airport' means any public-use airport as defined in the Airport and Airway System Development Act of 1982;".

(b) Section 101(2) of the Aviation Safety and Noise Abatement Act of 1979 (49 U.S.C. 2101(2)) is amended to read as follows:

"(2) the term 'airport operator' means any person operating an airport as defined in this section; and".

SECURITY SCREENING IN FOREIGN AIR COMMERCE

SEC. 33. Section 24 of the Airport and Airways Development Act Amendments of 1976 (49 U.S.C. 1356a) is amended by adding the following new subsections at the end thereof:

"(d) There is authorized to be appropriated for fiscal year 1982 from the Airport and Airway Trust Fund such funds as may be necessary to carry out this section, provided that the total of such funds shall not exceed the amounts authorized to be appropriated under subsection (c) of this section.

"(e) The Secretary shall submit a report to the Congress on the amounts of compensation due to air carriers under this section.".

SAFETY CERTIFICATION OF AIRPORTS

SEC. 34. (a) Section 612(a) of the Federal Aviation Act of 1958 (49 U.S.C. 1432(a)), is amended to read as follows:

"(a) The Administrator is empowered to issue airport operating certificates to, and establish minimum safety standards for, the operation of airports that—

"(1) Enplane 2,500 or more revenue paying passengers annually; or

"(2) Serve any scheduled or unscheduled passenger operation of air carrier aircraft designed for more than 30 passenger seats.".

(b) Section 612(b) of such Act (49 U.S.C. 1432(b)) is amended by striking out "serving air carriers certificated by the Civil Aeronautics Board" in the first sentence and inserting in lieu thereof: "described in subsection (a) and which is required by the Administrator, by rule, to be certificated.".

(c) Section 612(c) of such Act (49 U.S.C. 1432(c) is amended by striking out "air carrier airport enplaning annually less than one-fourth of 1 percent of the total number of passengers at all air carriers airports" and inserting in lieu thereof: "airport described in paragraph (a)(1) enplaning annually less than one-fourth of 1 percent of the total number of passengers enplaned at all airports described in paragraph (a)(1).".

(d) Section 610(a)(8) of such Act (49 U.S.C. 1430(a)(8)) is amended to read as follows:

"(8) For any person to operate an airport without an airport operating certificate required by the Administrator pursuant to section 612, or in violation of the terms of any such certificate; and".

PART-TIME OPERATION OF FLIGHT SERVICE STATIONS

SEC. 36. (a) Beginning on the date of enactment of this Act, the Secretary shall not close or operate on a permanent part-time basis any flight service station except in accordance with this section.

(b) During the period beginning on the date of enactment of this Act and ending on September 30, 1983, the Secretary may provide for the part-time operation of not more than 60 existing flight service stations operated by the Federal Aviation Administration. The operation of a flight service station on a part-time basis shall be subject to the condition that during any period when a flight service station is part-timed, the service provided to airmen with respect to information relating to temperature, dewpoint, barometric pressure, ceiling, visibility, and wind direction and velocity for the area served by such station shall be as good as or better than the service provided when the station is open, and all such service shall be provided either by mechanical device or by contract with another party.

(c) The Secretary may close not more than five existing flight service stations before October 1, 1983. After October 1, 1983, the Secretary may close additional flight service stations, but only if the service provided to airmen after the closure of such station with respect to information relating to temperature, dewpoint, barometric pressure, ceiling, visibility, and wind direction and velocity for the area served by such station is as good as or better than the service provided when the station was open and such service is provided either by mechanical device or by contract with another party.

CONGRESSIONAL COMMITTEES

SEC. 37. Nothing in this Act shall be construed as altering the jurisdiction of the Committee on Commerce, Science, and Transportation in the Senate, or the Committee on Public Works and Transportation in the House of Representatives, over the airport and airway system development program or other aeronautical activities.

The PRESIDING OFFICER. Who yields time?

Mr. PACKWOOD. Mr. President, everyone should have a copy of this amendment on his or her desk. There have been two changes in the amendment from what is on the desk and I shall read them so that everybody will be aware of them.

On page 15, lines 7, 8, 9, and 10, are some dollar figures. These are the figures that are in the amendment as handed in. The figures should read as follows: On line 7, $1,740,000,000; on line 8, $2,533,500,000; on line 9, $3,582,900,000; and on line 10, $4,789,700,000.

Then, Mr. President, on page 77, line 11, through page 79, line 4, the material has simply been stricken out.

This amendment is what is known as the ADAP program, the airport and airway development aid program. It is a program well known to the Members of the Senate. It worked well for 10 years, it was in existence from 1970 to 1980. Through some differences between the House and the Senate and other problems, it was not reauthorized on a long-term basis. When you are talking about building airports, putting in navigation equipment, extending runways and taxiways, you are not talking about problems on a year-to-year basis, you are talking about 3, 4, 5, or 6 years. This particular amendment authorizes money through fiscal year 1987 for the ADAP programs.

The ADAP program has basically four parts to it. On occasion, the term "ADAP" is used in referring to all of the parts. On occasion it is used in referring to just one of the parts. I shall explain what those four parts are.

First is the airport development grants. These are the capital improvement at airports for runways, taxiways, and what not. If somebody is normally referring to just a section of the program and says "ADAP," this is usually what they mean.

The second part is facilities and equipment. This is the airport and airway navigational equipment. Third is research and development, and fourth is FAA operations and maintenance, the administrative cost of running the Federal Aviation Administration.

The taxing provisions were added, of course, to this bill in the reconciliation package before the Finance Committee. The substantive part of the ADAP program, the authorizations—how the money shall be spent, the use of the trust fund—was also added at the request of the majority of the members of the Committee on Commerce.

It is most important that while this particular amendment I am offering is, how the money user taxes are spent, let the two, the user taxes and the spending provisions in my colleagues' minds be considered together. Because if, by chance, this amendment is defeated, if we do not adopt the authorization levels for 6 years for the airport development the FAA navigation equipment, the research and development, then what you will have is the user fees being collected but this money will not be used for the purpose for which the users intended it. It would be like having the gasoline tax and no highway trust fund and just having the money go into the general fund even though it was sold to the voters and put through Congress on the basis of being a user fee.

I want to emphasize, Mr. President, that the aviation user fees in the bill were arrived at after extraordinary negotiations between all parts of the aviation community. All of these groups do not necessarily share complete endorsement of all of the parts of the bill. The bulk of the people, those who use the airways or who operate the airports, support the bulk of the bill. It is a fragile coalition. The tax part of the bill has the following taxes:

A tax on airline tickets, 8 percent.

A tax on air freight, 5 percent.

International departure tax, $3 no different from the present law.

Tire tax at 5 cents a pound, no change from the present law.

The tube tax at 10 cents a pound, no change from the present law.

General aviation gas goes to 12 cents per gallon. It was at one time 7 cents a gallon, and when the authorization for the program terminated it fell back to its old limit of 4 cents a gallon.

And general aviation jet fuel, 14 cents a gallon.

Those revenue figures will produce over the 6 years approximately $16 billion.

Taking into account all of the expenditures, for all of the capital improvements, for all of the upgrading of the controller's facilities, for all of the navigation equipment, for everything in this bill, we will still, at the end of the 6 years have a surplus of over $1.5 billion in the trust fund.

In the past we had a problem. The taxes were collected, and if we could not agree upon a spending bill the money simply mounted up. In the last 2 years believe it or not, the aviation user taxes went into the highway trust fund, and into the general fund.

Different administrations have in the past not liked to spend the funds because, if you are trying to work budget magic, and if you take these user fees and add them to your receipts, you are moving toward closing the deficit. You are getting more revenue. There have been some in the past who were perfectly happy to take the user fees and, in essence, count them for budget balancing purposes and not spend the money. We have, therefore, added a trigger that provides that, in any fiscal year, if 85 percent of the airport development funds which are made available for obligation by Congress are less than 85 percent of the authorized levels, then all taxing and spending authority, except for airport development spending, terminates at the end of that fiscal year.

This trigger was meant, quite frankly, as a hammer to make sure that no administration tries to prohibit the spending for airport development because those who pay the user fees believe this is an important program.

The administration supports this bill. The Budget Committee supports these figures.

Senators will find on their desks three letters; one from the building trades from Bob Georgine, the head of the building trades, one from Charlie Nichols, the general treasurer of the carpenters, and one from J. C. Turner, the president of the operating engineers, all three support this program.

Mr. President, I will tell you why they support it. As far as the airport development program is concerned, the almost $5 billion that is in this bill for——

The PRESIDING OFFICER. Will the Senator suspend?

The Senate will be in order. The Senator from Oregon has the floor. May we have order?

Mr. PACKWOOD. There is almost $5 billion over 6 years in this bill for airport development spending; for the runways, for the taxiways. This money creates jobs which are very clearly jobs akin to highway programs. It puts contractors to work. It puts construction laborers to work. Needless to say, the construction and building trades associations are strongly in support of this bill. It is probably as good a jobs bill as we are going to get out of this Congress.

For all of those reasons, I hope that my colleagues would accept this amendment. It has taken a long time to work it out. It has overwhelming support from the administration and overwhelming support around the country from most of the people involved in the aviation industry. I do not want to give Senators the impression that every provision has 100 percent support from 100 percent of those involved in the aviation industry. We are not very often going to find a bill like that, but this is a good bill. I would hope that the Senate would accept it. I will reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. LONG. Mr. President, I ask that the time in opposition to the amendment be charged to the distinguished Senator from Nevada (Mr. CANNON).

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Nevada.

Mr. CANNON. Mr. President, my problem at this point is on the procedure used to get this amendment to the Senate floor.

Mr. STENNIS. Will the Senator yield to me?

I think, Mr. President, we ought to insist on order so that we can at least hear the speaker. It is a highly important matter and it is outside the ordinary consideration of an important bill.

The PRESIDING OFFICER. The Senate will be in order.

Mr. STENNIS. We are relegating ourselves to disorder. I say that with all deference. Let us hear the Senator.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. CANNON. Mr. President, in addition to the problem of the procedure used to get this amendment to the Senate floor, the amendment is badly flawed on its merits. First, it defies current fiscal policy by increasing spending by $6 billion over the spending authorized by the committee reported bill which was S. 508.

Second and most important, this amendment completely reverses the primary purpose to the aviation trust fund which has always been to improve the safety and capacity of the airport and airways system. Instead, this amendment would spend the largest share of the funds on existing operations of the FAA. In other words, this amendment changes the primary purpose of this trust fund from improving the safety and capacity of the system to maintaining the status quo.

The concept of using Federal trust funds for operational accounts instead of for capital expenditures is a new and unwelcome theory of budgetary philosophy. In my opinion, all Federal agencies should be held accountable for their operations through the usual appropriation process with funding from the general Treasury account.

Further, this amendment drops the concept of defederalization which the Senate has already endorsed by a 2-to-1 margin. Instead, this amendment proposes unrealistic increases in ADAP grant authorizations, unrealistic in view of the current and foreseeable budget constraints. This amendment increases the percentage of ADAP grants which go to the largest and wealthiest airports, airports which have now said they want to get off this Federal grant program. In fact, defederalization is the only way to meet the capital needs of the smaller airports which cannot finance their own improvements and also meet the conservative fiscal policy which must be followed.

Further, this draft has changed daily and virtually nobody knows what provisions are or are not in this newest draft with the exception of the author.

I understand that one provision precluding the State's right to tax was dropped in and then just recently removed when it was discovered by the State aviation officials. This process amounts to a rule of legislating whatever one can sneak by the opposition who has not been given the time to review what is being offered.

In short, Mr. President, this is a poorly conceived airport and airways bill and is being offered by the worst legislative process imaginable.

Now, the argument that was just given by the chairman of the committee that the Finance ADAP package can be determined a jobs bill provides us with a perfect definition of Republican economic theory: Take a depressed industry and drain $1.2 billion out of it in new taxation, then put back half that amount in new construction grants and tell everyone you have a jobs bill. The tax increases will eliminate many more jobs than the spending increases will create. But more importantly, nobody is arguing that we should not authorize ADAP grants for this year or for 5 years. I will vote right now for a simple extension of ADAP through 1983 and we would have plenty of time to debate a multiyear bill.

Mr. President, I have some questions for the distinguished chairman of the Commerce Committee that I would like to address to him if he would permit me to do so.

I am wondering why the chairman removed the provision contained in S. 508 that airports which receive ADAP must hold open their books for public inspection and use standard accounting procedures.

It seems to me that that should be the very basic essence of being able to get Federal funds.

Mr. PACKWOOD. Because in our experience we have no evidence of scandal, and we saw no need to add a burden on them for information that is already publicly available.

Mr. CANNON. Is the Senator saying that they are not required—that they do not use standard accounting procedures or should not be required to do so?

Mr. PACKWOOD. I do not want to compound problems where none exist. We have had no evidence where airports have been cheating. Almost all of them are public bodies and are subject to their own State laws and local laws on accounting. We have had no evidence to justify adding an additonal accounting system, in addition to the ones which are required by local bodies.

Mr. CANNON. I find it hard to understand why requiring them to hold open books for public inspection and use standard accounting procedures would put an additional burden on them.

The Senator says there is no evidence of their having used that process in the past. That speaks very well for the requirement currently in the law that does require them to hold open their books and to use standard accounting procedures.

It seems to me that you are giving them the opportunity, by not making this requirement, to let them do something different from what they have been doing in the past.

Mr. PACKWOOD. I will respond once more. I trust airport operators and the local governments that run them. Most of them are run by commissioners. We simply see no evidence to require them to keep an additional set of books in a form of accounting different from what they are already doing when the information they need and the information we seek is available.

Mr. CANNON. Also, I do not understand the majority's position with regard to eligibility for Federal grant programs. Working mothers with dependent children are mandatorily removed from eligibility for medicaid. Yet, you are supporting the proposition that Los Angeles International, with a quarter of a billion dollar annual budget, should be allowed to get Federal grants as long as it wants to.

Even more ironic is the fact that Los Angeles International wants to get out of the ADAP program. But the Senator's amendment insists on taxing Los Angeles passengers, based upon the assumption that the airport will continue to receive Federal grants.

Can the Senator explain to me why he insists that some of the poorest in our society must be mandatorily removed from Federal grant programs at the same time tax policies are proposed which, as a practical matter, preclude multimillion-dollar airports who want to give up Federal funding from doing so?

Mr. PACKWOOD. On this issue, I am not all that sympathetic with the airport operators.

The distinguished Senator will recall that he and I were cosponsors of the defederalization issue, and we were opposed by the airport operators. Now they switch their position 180°, and some of the big ones want defederalization because they think they can somehow make more money if they are not subject to federalization.

I indicated that this bill was a fragile compromise. A couple of years ago, they could have had defederalization if they had not fought us tooth and nail. Now, when they think they might not do as well, they have switched their position.

Any time we are dealing with this bill, year after year after year after year, for these 5- or 6-year authorizations, anytime we can get an agreement on defederalization, it can be written into the law. But I hope that between now and then, they get their act together and decide which they want. We are not promising it. Just because they say, jump, we are not going to jump. They have been on both sides of this issue within the last year, and I do not find their pleading now very effective.

Mr. CANNON. Why is it fair for aviation users to pay 100 percent of the system's capital costs and 75 percent of its operating costs, while boaters pay zero percent of the Coast Guard's capital costs and very little of its operating costs?

Mr. PACKWOOD. Without getting into the argument as to whether or not boaters should pay the total cost of the Coast Guard, the Coast Guard has an infinite variety of functions. It is not just the provision of safety for boaters and pulling people out of the ocean.

So far as the FAA is concerned, the total use of FAA and the total use of airports, with very, very neglible exception, is for people who fly or for people who are in the aviation industry, whether they fly or not. If there were no airplanes and no airports, we would need no FAA. So why not ask that those who use the system, a system which requires the existence of the FAA to operate and maintain all the navigational equipment that goes with it, to pay for the agency that is needed to provide and maintain the facilities. The FAA enables these users to enjoy their hobby if they are flying for pleasure or to pursue their business if they are flying for business.

Mr. CANNON. The Senator is well aware of the fact that there are other fallouts from this industry that benefit the general public, people who do not use the system at all.

The studies we have had in the committee indicate that very clearly. To say that the aviation users should pay 100 percent of the system's capital costs and 75 percent of its operating costs imposes an undue burden on them, when there is a fallout to general business and industry, and $40 billion goes from this industry into the economy in general. It seems to me unreasonable to have that kind of contribution to the operation of the system.

Mr. PACKWOOD. Again, the Senator is talking about roughly 60 percent of the operational costs of the FAA being borne by the users and 40 percent coming from the general fund, whether or not they use aviation.

One can argue that it should be 75 percent or 50 percent. In terms of the operational costs, we set it at roughly that figure. You can justify it being higher. We tried to hit a happy compromise, realizing that 50 percent, 40 percent, or 80 percent would not satisfy everybody. But, in all honesty, the bulk of the benefit and use of the FAA is by people who fly or who are connected with flying.

Mr. CANNON. The Senator uses the figure 60 percent. Is it not actually 75 percent?

Mr. PACKWOOD. No. It is 60 percent of the operation budget; 100 percent of facilities and equipment, 100 percent of research and development, and approximately 60 percent of operations. So the total is 75 percent.

Mr. CANNON. How is raising taxes on a depressed industry consistent with supply-side economics? I thought it was just to the contrary.

Mr. PACKWOOD. The Senator from Nevada is not talking to one who is an avid supporter of supply-side economics.

Mr. CANNON. Is it not the fact that the supply-side economic theory is just the opposite of raising taxes on a depressed industry? Is not the theory of supply-side economics to lower taxes on a depressed industry?

Mr. PACKWOOD. I am not going to get into a debate with the Senator on the merits of what supply-side means. But the hardest supply-siders in this administration support this bill. They are supply-siders, and they support this, and I assume you might be able to say that is supply-side economics.

Mr. CANNON. While we are on that, let me ask the Senator about the jobs bill.

How can he contend that if you are taking a depressed industry and drain-

ing $1.2 billion out of it in new taxes and you are only putting half that amount back in new construction grants, that is a jobs bill?

Mr. PACKWOOD. The General Aviation Manufacturers Association, which is the trade association——

Mr. CANNON. That was not my question. My question was how can the Senator contend this is a jobs bill when he is taking out $1.2 billion in new taxation and only putting back half that amount in new construction grants? I do not quite follow how the Senator can call this a jobs bill with that kind of imbalance.

Mr. PACKWOOD. All I am saying is that a majority of the industry upon whom the taxes are going to fall by and large support the taxes. They do not seem to think that there is going to be an imbalance. The one exception to that, and I understand it, and we all understand it, is the private pilot. Private pilots, who fly their own planes, have misgivings about the general aviation gas tax going to 12 cents when it used to be 7 cents prior to 1981.

But when we look at what the cost of gasoline was then and what it is now, that is not a disproportionate increase.

The rest of those people upon whom the tax will fall support the bill. So they do not think it is going to be a further nail in the coffin of their industries.

As far as the jobs are concerned, now this is admittedly an estimate, but from both the building trades, and the building construction associations, they estimate about 60,000 jobs per $1 billion of expenditures if this were highways. Roughly $5 billion in what we call the hard goods ADAP function, the runways, the taxiways, are reasonably similar to highways and to highway construction. Consequently, we came up with a figure of 250,000 to 300,000 jobs which those industries and those unions that are involved in that business say is a reasonable estimate.

Mr. CANNON. I agree with the Senator as to who the groups are that he says support it. But I think they are supporting it not because of the jobs bill but because it will get some money into some badly needed upgraded facilities which I agree with as well.

Mr. PACKWOOD. The Senator is absolutely right.

Mr. CANNON. I just point that out.

Mr. PACKWOOD. I am not trying to sell it for a jobs bill for United Airlines or jobs bill for TWA or a jobs bill for Cessna. They are willing to support the taxes because they know how desperate is the need for upgrading of the navigational facilities, how desperate is the need for the upgrading taxiways and runways.

Sure if we say to someone off by himself, "Do you want another tax," the answer would probably be no. But when we finally say to people who use it every day and whose lives are at stake every day, are you willing to pay this tax if the money is used for the following things: First, runways; second, navigation equipment; third, research and development; and fourth, part of the operation costs of the Federal Aviation Administration, they would say, on balance, yes.

Mr. CANNON. Of course, I point out that there is one organization that does oppose this which has the biggest voting bloc of any of those organizations the Senator has named. I am sure he is aware of that.

Mr. PACKWOOD. The Senator from Nevada, as the chairman of the Commerce Committee and as one of the most knowledgeable people in aviation, is fully aware of the longtime fight we have had about who uses the airways most and who should pay. I will be very frank. The commercial airline industry would like to saddle more of the cost on the private aviation industry, the private aviation industry being the smaller planes that are often used for business, often used for pleasure. The smaller plane owners would rather load it onto the commercial industry. That is nothing new for this Senate. We go through that kind of battle. It does not matter whether it is the commercial airlines versus business aviation or whether it is the railroads versus the trucks. It does not matter what. Everyone wants to load the cost of something onto someone else if they can get the benefit of what the money is going to be used for.

I might also indicate that this bill is supported at the tax levels by the association that represents the business users of airplanes, those who fly their own jets and planes for business.

Mr. CANNON. I thank the Senator.

Mr. PACKWOOD. Mr. President, I yield 3 minutes to the Senator from Virginia.

Mr. WARNER. Mr. President, I thank the distinguished Senator from Oregon.

Mr. President, I rise to support the measure of the Senator from Oregon. My support is primarily predicated on the need to enhance the safety of our airports.

The primary purpose of the ADAP legislation, which is now part of the tax reconciliation package, is to upgrade and modernize the Nation's airports and air traffic control system. A clear example of need is the safety program which must be continuously upgraded. This modernization program would be fully funded by taxes generated from users of the aviation system.

The expenditures for the airport development program which includes funding for airport construction, repair and improvement, and the purpose of certain equipment will average $930 million a year for 5 years.

I urge Senators to acquaint themselves with the impact of this proposal on their respective States. That material is in the possession of staff members here. I think it will be very important in making the individual decisions on this particular issue if Senators would refer to how their particular States are impacted.

Funding for facilities and equipment budget would average $1.2 billion a year for 5 years. This money is for acquiring, establishing, and improving our air navigation facilities.

Funding for the airport development program alone would generate more than a quarter of a million jobs in the construction trades over the next 5 years. I think that is a very important consideration at this particular time in our uncertain economic situation.

Mr. President, I agree with the efforts of the distinguished Senator from Oregon and the distinguished Senator from Kansas to see that the tax and spending provisions for the airport programs are not separated. This effort, which should be supported by the Senate, will prevent the users from being unfairly taxed while not permitting the spending for airport development and upgrading of the air traffic control system. These expenditures are sorely needed. Funds have not been released in 2 years and every effort should be made to assure the release of these funds this year.

Senators PACKWOOD and KASSEBAUM deserve our support.

Mrs. HAWKINS. Mr. President, I rise today in support of the airport and airway development program, which is being offered as part of H.R. 4961. This portion of H.R. 4961 forms a complete and comprehensive package of taxes and expenditures. Seldom in Government do we have the opportunity to enact a program so carefully constructed as to be truly self-supporting. Seldom do we see a program in which expenditures from the trust funds truly reflect the amount of revenues taken in. Seldom do we see one in which the health of the industry determines its ability to finance construction of new and more sophisticated facilities. Seldom do we see a program in which the users of the system, the airlines, consumers, private aviators, and cargo carriers, will pay for the actual services they receive. Under this measure, ADAP will continue to be self-supporting, without running a huge surplus of funds more readily needed for construction—not needed to sit in a trust fund.

It has taken 2 years for the Senate Finance Committee and the Senate Commerce Committee to agree on how this program should be structured and funded, and what spending is needed to develop our Nation's airway system.

Over these 2 years every party involved in the national aviation industry—the airlines, the airport authorities, the FAA, the manufacturers of facilities and equipment—have made recommendations and suggestions on how to improve the program which expired on October 30, 1980. Their differing views and positions, offered with the intent of establishing a better system, have varied widely. At times it seemed as if agreement would never come. However, the distinguished chairmen of the Senate Finance Committee and the Senate Commerce Committee, and their staffs, never stopped working to bring about an acceptable compromise. Finally, after many attempts and much diligent effort, a comprehensive airport and airway development program is ready to be acted upon by this body.

The measure before us today is a good piece of legislation that will make an excellent law. In fact, in many ways it represents much of what this Congress should be about. This measure is an example of how Government can provide public goods in an affordable and self-sustaining manner. And, it could not have come at a better time for the industries that it will so vitally affect.

The importance of the aviation industry to the well-being of the Nation cannot be denied. Our airport and airway system is one of the most extensive in the world. There are close to 12,000 airports in the United States, 3,600 of which are part of the national airport system plan. They provide service not only to passenger airlines but to cargo carriers, private aviators, corporate aviation, a variety of express mail services, and the U.S. Mail. The improvements financed by the airport and airway trust funds since 1970, provide for the safety and efficiency of infrastructure that is so important to these businesses and customers. These improvements have been substantial indeed. But there is still much to be done. Any Senator who has sat patiently in an airliner waiting for takeoff, at the end of a long line of other planes, can attest to the fact that our aviation facilities are inadequate.

This measure will improve the quality of our air traffic control system. Aviation facilities, airway construction, and aviation weather services will be modernized under this act. The plan becomes all the more important in light of last year's air traffic controllers strike and the strain that has placed on the present system. The controllers who stayed on the job have done remarkable work in operating the current system safely and efficiently. It is time to give these fine men and women the equipment they need to do an even better job.

For the last year and a half, the airports and users of airports around the country have waited in uncertainty over what kind of program Congress would enact. The airline industry alone, lost more than $1 billion in lost time and fuel inefficiency because of inadequate airport facilities. The bad situation was made worse by the hodgepodge of aviation taxes and services. Spending authority for 1981 projects was tacked onto the Omnibus Reconciliation Act for 1982 spending. Many of the aviation taxes lapsed during the period, but consumers continued to pay a 5-percent ticket tax; ostensibly to improve the Nation's airway system. But on closer examination, one finds that this "user fee" was being collected in the general fund of the treasury. Not only have consumers continued to pay for a program that does not exist, but also the huge surplus built up in the airport and airway trust funds has not been disbursed because the FAA no longer has the authority to do so. Over the last year, it has been said that the trust fund surplus, almost $4 billion at the beginning of the last fiscal year, is being used to offset the budget deficits that are the result of years of reckless spending of the taxpayers' dollars. Were it true, it would be a great injustice. I believe, instead, that it has taken time to put together a self-sufficient spending program that is fair to both the users of the aviation system and the general taxpayer as well.

Clearly, the Commerce Committee and the Finance Committee have done an outstanding job in creating a program that is complete and comprehensive. ADAP is a program in step with the times. Seldom do we have the opportunity to approve a self-supporting spending-and-tax program. By linking expenditures and revenues, this becomes an innovative piece of legislation. I intend to support this measure and I urge my colleagues to do the same.

Mr. JEPSEN. Mr. President, I am pleased to rise in support of the airport development and airways program—ADAP—legislation which is being discussed today. For 2 long years airports and the aviation industry have been without this necessary and vital piece of legislation. I commend them for their patience as the Congress has struggled with this legislation, and for their invaluable input into the legislative process. I hope to be able to commend the Congress for passage of the new ADAP program.

The ADAP program is invaluable to the airports around the country. It helps to provide much needed funds for land acquisition and runway and terminal improvement. This is highlighted in Iowa by the current expansion program being initiated at the Cedar Rapids airport. Cedar Rapids has, in the past, received ADAP funds for this project. It is my understanding that they will continue to receive ADAP funds under the new ADAP program, and will this be able to complete this much needed expansion project.

The ADAP program also benefits general aviation in smaller communities. It is my hope that the projects in Charles City, Decorah, and Sheldon will also receive funding under ADAP. These expansions will help keep rural Iowa accessible to the business of America. Other worthwhile projects will be forthcoming.

As a pilot, I believe that it is significant to note that this program will also help to promote air safety. Moneys will be used for needed improvements for navigational aids. Our airways can never be too safe, and I hope that my colleagues will join me in support of any measure which will help improve and promote air safety.

Also of significance is the number of job opportunities which are being projected as a result of this measure. It is estimated that there will be approximately 250,000 to 300,000 new jobs created due to airport modernization.

Again, I commend the Senator from Oregon and the Senator from Kansas for their efforts in formulating this significant piece of legislation. It will have an important impact on America, perhaps rivaling that of the Eisenhower highway trust fund program.

Mr. MATTINGLY. Mr. President, I rise in support of this reauthorization of the airport and airway development program. This legislation will not only provide sensible funding for this program for fiscal years 1982 through 1987, but it will also alter the existing program in such a way as to promote a safer, and I believe, better airport system.

The foundation of this program is strong user-fees. This is a concept I totally support. It is only fair that those most involved in and benefited by Federal Government services pay for those services, or at least have a larger share of responsibility for such programs than they have had in the past. Americans have always supported the philosophy of "pull your own weight." This bill would show that Congress, too, believes in that idea. The increases in user-fees contained in this bill are good for all interested in a well-funded—and fair—airport system.

Mr. President, there is one major provision of this bill that I want to particularly congratulate my colleagues for including. I have been contacted by many Georgians who have been frustrated by the inability of the Secretary of Transportation to "carry over" funds authorized for 1 year to the next year. This bill will insure that funds not obligated in one fiscal year are available for obligation in later years. This is a sensible provision that I would be interested in seeing extended to other Federal programs so

we will not see an endless continuation of the games that have been played in spending and authorizing funds. The section of the bill calling for defederalization is also a "good beginning." Since I first came to Washington, I have been interested in seeing that sensible defederalization is encouraged by Congress. While this bill does allow any airport to withdraw from this airport development program—and therefore sever itself from some Federal statutory and regulatory burdens—I am concerned that such "defederalized" airports have at their discretion the ability to raise revenue.

I am pleased to see that for the first time, Federal funds will be made available to those privately owned airports that are "essential" to the national system. Such airports, of course, must be available for public use. I feel that this provision will allow the entire nation to have the adequate facilities it needs for general use.

The Federal funding levels in this bill are finally up to a standard that is necessary to insure the proper and safe functioning of our airport system. I understand that in fiscal year 1983 we will have authorization in the airport and airway trust fund of slightly over $3 billion; $3.6 billion in fiscal year 1983 and 1984; and about $4 billion in fiscal year 1986. It is about time that we had an adequate trust fund to give the various airports a decent amount of revenue to work with.

Mr. President, I have received calls and letters form many of my State's best airport administrators asking for my support of this bill. I am pleased to vote for this legislation for our airport and airway system.

Mr. PERCY. Mr. President, approximately 1,600 planes take off and land at Chicago's O'Hare Field every day and Illinois is understandably proud of its distinction as the aviation hub of the Nation and, indeed, the world. But, while this facility makes a substantial contribution to the commerce and industry of the Chicago area, it also causes significant problems to the residents who live near O'Hare.

Those who do not live near a major airport are often unsympathetic and insensitive to the problem of excessive airport noise. In a word, Mr. President, airport noise can be intolerable. It disrupts outdoor leisure activities, disturbs classroom discussions in schools and interrupts the sleep of residents who reside under the flightpaths.

I recently had the opportunity to discuss this problem with the mayors of several communities surrounding O'Hare, including Park Ridge Mayor Martin J. Butler, Elmhurst Mayor Abner Ganet, and Franklin Park Mayor Jack B. Williams. Among the mayors' concerns was the continued availability of Federal airport noise compatibility and planning funds.

Under the Federal program that addresses airport noise, the Suburban O'Hare Commission—which is headed by Mayor Butler and represents nearly 360,000 residents in 15 communities—received a Federal grant of $100,000 at my urging to study the master plan of O'Hare Airport. The National Organization To Insure a Sound-Controlled Environment (NOISE) said of this study, "The eyes and ears of the Nation are focused on this review, for this is the first time an outside consultant had ever been brought in to review a master plan study at a major hub airport." Noise compatibility and planning funds may also assist local officials in establishing noise monitoring systems to assess compliance with noise abatement procedures and develop alternative flight procedures. In addition, funds may be used to assist in the construction of acoustical barriers and soundproofing.

In line with the concern of the mayors over the continued availability of noise abatement grants, I would like to pose two questions to the distinguished chairman of the Senate Aviation Subcommittee, the Senator from Kansas. Under the Airport and Airway System Development Act, airports would be permitted to elect to voluntarily withdraw from the airport development program. It is my understanding, however, that such airports would continue eligibility for noise compatibility and planning program assistance. Is this view correct?

Mrs. KASSEBAUM. The Senator is correct. Airports that elect to withdraw from the airport development program would continue to be eligible for noise abatement funds, including funds under the airport noise compatibility and planning program.

Mr. PERCY. I thank the Senator for clarifying this matter. As the Senator from Kansas knows, the original version of this legislation in defederalizing the Nation's largest airports would have denied communities surrounding those airports eligibility for noise abatement funding. I had been prepared to offer an amendment to maintain eligibility for those communities, but am pleased that this legislation clearly allows for the communities to remain eligible for noise abatement assistance.

The Aviation Safety and Noise Reduction Act of the last Congress established a separate funding category of $25 million for noise abatement projects. This setaside was established because the pressures of capital development and operations could result in noise projects being reduced to a lower priority. Such a setaside would not increase the budget level of the airport development program, but rather would be available from existing funds under the total authorization for airport development.

It is my understanding that the House intends to maintain this setaside, and I wish to ask the Senator from Kansas whether the Senate intends to do the same.

Mrs. KASSEBAUM. While the Senate bill does not include a specific authorization level for noise projects, such projects may continue to be eligible for funding under the general airport development authorization.

Mr. PERCY. I thank the Senator, but am concerned that we go on record as clearly supporting the concept of a specific authorization for noise abatement projects.

Mrs. KASSEBAUM. In view of the concern of the distinguished Senator from Illinois, I would agree that the concept of a noise setaside is worthwhile and can give the Senator assurances that the House and Senate conference agreement will certainly provide for such a setaside. The distinguished Senator may be certain that I will carry his views into conference with the House.

Mr. PERCY. I deeply appreciate this accommodation by the distinguished Senator from Kansas. Thank you.

The PRESIDING OFFICER. Who yields time?

Mr. PACKWOOD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. PACKWOOD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Who yields time?

Mr. PACKWOOD. Mr. President, I am aware that we will be recessing at noon for a limited period of time. There is another amendment that is possibly being worked out, and I am sure that by the time the Senate comes back from its recess at 2 p.m., it will have been worked out.

RECESS UNTIL 2 P.M.

The PRESIDING OFFICER. Under the previous order, the Senate will stand in recess until 2 p.m.

The Senate, at 11:58 a.m. recessed until 2 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. LUGAR).

Mr. DOLE. Mr. President, as I understand, the pending business is the amendment of the distinguished Senator from Oregon, is that correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. DOLE. Mr. President, in the absence of the distinguished ranking minority member of the Senate Finance Committee, I suggest the absence of a quorum with the time equally divided on the bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. PACKWOOD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PACKWOOD. Mr. President, the pending business is my amendment; is that correct?

The PRESIDING OFFICER. That is correct.

Mr. PACKWOOD. And the control of the time in opposition is in the hands of the Senator from Nevada?

The PRESIDING OFFICER. That is correct.

Mr. PACKWOOD. Mr. President, how much time is there left for each of us?

The PRESIDING OFFICER. The Senator from Oregon has 14 minutes and 50 seconds, the Senator from Nevada has 11 minutes and 3 seconds.

Mr. PACKWOOD. Mr. President, I will say nothing more than this: I am prepared to yield back the time, if the Senator from Nevada is, to vote. I thought there might be some alterations. It appears there is not going to be. I am prepared to vote on the amendment as it is before the body at the moment, but I am not prepared to yield back my time unless the Senator from Nevada is ready.

I yield the floor.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. CANNON. Mr. President, unless someone desires time on this side, I am prepared to yield back the remainder of my time.

Mr. PACKWOOD. In that case, I am prepared to yield back my time.

The PRESIDING OFFICER. All the time has been yielded back on the amendment.

Mr. CANNON. Mr. President, I raise the point of order that the Senator's amendment violates section 305(b)(2) of the Congressional Budget Act because it is not germane to the provisions of the reconciliation bill.

The PRESIDING OFFICER. The Chair rules that the amendment offered by the Senator from Oregon is germane to the bill and to the amendments offered by the Finance Committee. Therefore, the point raised by the Senator from Nevada is not well taken.

Mr. CANNON. Mr. President, I appeal the ruling of the Chair and suggest the absence of a quorum.

The PRESIDING OFFICER. Under the Budget Act there is 1 hour of debate evenly divided on the appeal. The time for the quorum call will be charged against the time of the Senator from Nevada.

QUORUM CALL

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll, and the following Senators entered the Chamber and answered to their names:

[Quorum No. 42 Leg.]

Baker	Dodd	Kassebaum
Biden	Dole	Kasten
Bradley	Domenici	Long
Brady	East	Lugar
Bumpers	Garn	Packwood
Byrd, Harry F., Jr.	Gorton	Stennis
Cannon	Grassley	Thurmond
Cochran	Hart	Tower
Danforth	Helms	Warner
	Jackson	

The PRESIDING OFFICER. A quorum is not present.

Mr. BAKER. Mr. President, I move that the Sergeant at Arms be instructed to require the attendance of absent Senators, and I ask for the yeas and nays on the motion.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Tennessee. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. STEVENS. I announce that the Senator from New York (Mr. D'AMATO), is necessarily absent.

Mr. CRANSTON. I announce that the Senator from Florida (Mr. CHILES), the Senator from Massachusettes (Mr. KENNEDY), the Senator from Montana (Mr. MELCHER), and the Senator from West Virginia (Mr. RANDOLPH), are necessarily absent.

The PRESIDING OFFICER (Mr. ANDREWS). Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 90, nays 5, as follows:

[Rollcall Vote No. 229 Leg.]

YEAS—90

Abdnor	Exon	Metzenbaum
Andrews	Ford	Mitchell
Armstrong	Garn	Moynihan
Baker	Glenn	Murkowski
Baucus	Gorton	Nickles
Bentsen	Grassley	Nunn
Biden	Hart	Packwood
Boren	Hatch	Pell
Boschwitz	Hatfield	Percy
Bradley	Hawkins	Pressler
Brady	Hayakawa	Pryor
Bumpers	Heflin	Riegle
Burdick	Heinz	Roth
Byrd, Harry F., Jr.	Helms	Rudman
Byrd, Robert C.	Hollings	Sarbanes
Cannon	Huddleston	Sasser
Chafee	Humphrey	Schmitt
Cochran	Inouye	Simpson
Cohen	Jackson	Specter
Cranston	Jepsen	Stafford
Danforth	Kassebaum	Stennis
DeConcini	Kasten	Stevens
Denton	Laxalt	Symms
Dixon	Leahy	Thurmond
Dodd	Levin	Tower
Dole	Long	Tsongas
Domenici	Lugar	Wallop
Durenberger	Mathias	Warner
Eagleton	Matsunaga	Zorinsky
East	Mattingly	
	McClure	

NAYS—5

Goldwater	Proxmire	Weicker
Johnston	Quayle	

NOT VOTING—5

Chiles	Kennedy	Randolph
D'Amato	Melcher	

So the motion was agreed to.

The PRESIDING OFFICER. With the addition of Senators voting who did not answer the quorum call, a quorum is now present.

Who yields time? The Senator from Nevada.

Mr. CANNON. First, Mr. President, I ask for the yeas and nays on the appeal from the ruling of the Chair.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. CANNON. Mr. President, let me say to my colleagues that I do not think we are going to take very long on this issue but I do want to point out a few things.

The facts of this maneuver are very simple. The Commerce Committee reported an airport and airway bill last year (S. 508). Since then the committee chairman has changed his mind on the elements of that bill—by about $6 billion in higher spending—and rather than explain his changes to the committee with jurisdiction, he took the bill over to the Finance Committee where he was not asked to debate even one provision of an 81-page, 5-year, $20 billion authorization.

Mr. President, may we have order, please?

The PRESIDING OFFICER. The Senator makes a good point. The Senate is not in order. Senators who desire to converse will retire to the cloakroom. Senators will clear the well.

The Senator from Nevada.

Mr. CANNON. Let me make this clear. The Commerce Committee has never acted on, discussed, or in any way considered this far-reaching aviation bill. I note there is a letter here, a Dear Colleague letter, that says that the Committee on Finance attached this bill to the reconciliation bill at the request of a majority of the members of the Committee on Commerce, Science and Transportation. I want to make it clear that there may have been a majority of the members of the committee who requested that, but I know of no Democrats who joined that majority, and the matter was not even discussed in the committee.

If the majority members signed off on a letter approving of the elements of this amendment either before or after it was approved by Finance, then why not bring up the bill in the committee with proper jurisdiction and discuss the drastic changes from our reported bill? The Democratic members of the Commerce Committee never even saw this amendment until the morning it was to be offered, and I understand that it has been changed

further still from the printed staff draft offered in Finance.

This maneuver is simply an effort to avoid open debate and fair consideration of this legislation. And the Senate needs to ask itself where will this stop? Can the Aviation Subcommittee rewrite the Civil Rights Act and put it on reconciliation? Can the Agriculture Committee start taking Judiciary bills and reporting them on reconciliation?

The Senate committee process is at stake in this vote. If an aviation bill of this scope can be passed without having been the subject of a single Commerce Committee meeting, then we might as well declare jurisdiction rules void and have a free-for-all.

I wish to make an inquiry of the Chair: If the pending business of the Senate was the Finance-Committee-reported Airport and Airway Act Amendment, and I raised the point of order that the amendment violates rule XV of the Standing Rules of the Senate, how would the Chair rule on that point of order?

The PRESIDING OFFICER. In response to the parliamentary inquiry of the Senator from Nevada, the Chair is of the opinion that the second reported amendment from the Committee on Finance contains significant matter within the jurisdiction of another committee and, therefore, would violate rule XV, paragraph 5.

Mr. CANNON. I thank the Chair. That makes it very clear that the Chair would rule that the committee amendment was out of order because it was not within the jurisdiction of the committee to report such amendment. Yet the Chair is using that improperly reported amendment to rule the pending floor amendment germane. Such circular logic is indefensible on its merits, and if supported by the Senate will vitiate the reconciliation germaneness rule.

The U.S. Senate will become a Government institution where two wrongs do make a right if we support this ruling of the Chair.

Any committee can circumvent jurisdiction in the future by following this precedent.

Mr. President, I understand the Senator from Mississippi would like 2 or 3 minutes.

Mr. STENNIS. Two or three minutes.

The PRESIDING OFFICER. The Senator from Mississippi is recognized.

Mr. STENNIS. Mr. President, may I point out again, with great deference to the Chair, to let this matter go this way of letting it ride through on this bill is to literally emasculate the rules of the Senate, the actual part of the rules that confer jurisdiction on all the standing committees of the Senate.

I am looking here now at page 24, rule XXV of the standing rules. The Committee on Agriculture, Nutrition, and Forestry, the first item, agricultural economics and research, under this ruling it could be put on this bill and ruled accordingly, and just literally emasculate here the jurisdiction of this major committee that is as old as the Congress itself, and I can go right on down the list through these other committees.

Somewhere, sometime, regardless of the emergency, pressures, and everything else, we have got to stand up here and protect our institutions, protect the Senate, protect the regular rules of the Senate, the committees of the Senate that are assigned their jurisdiction pertaining to their subject matter. Their staffs are selected for that purpose. They conduct hearings and make recommendations and for many, many years that course was adhered to on the floor, and we acted that way.

Mr. President, my observation over and over is that that is where the real work of the Senate, good and accomplished work of the Senate, is done, in the committee system. We have got to draw the line somewhere and let us just say here we are going to stop this practice, we are going to protect our committees, and the way of passing on bills can be found within its rules.

I thank the Senator.

Mr. CANNON. Mr. President, I withhold the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. PACKWOOD addressed the Chair.

The PRESIDING OFFICER. The Senator from Oregon.

Mr. PACKWOOD. I believe I am in charge of the time on this amendment.

The PRESIDING OFFICER. Time is controlled by the majority leader or his designee. Is there objection to the Senator——

Mr. PACKWOOD. I ask unanimous consent that I might control the time.

The PRESIDING OFFICER. The Senator from Tennessee.

Mr. PACKWOOD. Mr. President, how is the time controlled on the appeal from the ruling of the Chair?

The PRESIDING OFFICER. Evenly divided between the Senator who made the appeal and the majority leader.

Mr. BAKER. I thank the Chair. I yield the time under my control to the distinguished Senator from Oregon.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PACKWOOD. Mr. President, the budget process is a relatively new process in the history of this Congress. The reconciliation process is an even newer wrinkle within the budget process. I am not here to praise it or criticize it. It is a process we have used over the past number of years now.

There are any number of ways that issues can be brought before this Senate, either from a committee in a reconciliation report or from individuals, that are not germane. This particular amendment has been ruled germane. But had the Chair chosen to rule it not germane, any Member, myself included, would have been privileged to have offered an amendment and, under section 904 of the Budget Act, to waive the germaneness procedures. And that has been done a number of times in the past.

No one is trying to circumvent the procedures of the Senate. We have a variety of ways, and many are new to us, but a variety of ways to get issues before this Senate.

Now the ADAP bill, the airport and airway development bill, is not a new subject. It was first passed in 1970. We have debated it and redebated it. We are all familiar with the kind of taxes that are levied to support the programs. We are all familiar with the programs. It is not as though I, through the Finance Committee, was spuriously trying to spring some unknown program with unknown taxes on this Senate.

But I will say this, as far as the substance of this issue is concerned: User taxes are collected to pay for user services. Highway gasoline taxes are used to build highways and bridges. We have a variety of user taxes in State governments and the Federal Government. And all of the taxes that relate to aviation in this bill will remain, all of them will remain, even if my amendment on how to use those taxes is knocked out. What you would have is the money going into the trust fund and building up a huge surplus. There would be a good chance it will never be spent on the users.

So, one, there has been no effort to go around the committee process. Second, if my amendment is defeated then it will be incumbent upon me, and I assume others that support user fees, to have to remove the user fees in this bill and undo the whole tax reconciliation package. We would not meet our reconciliation targets. We would not be keeping faith with our own budget procedures.

So I would heartily encourage the Members of this Senate to sustain the Chair on the point of order and then, when we vote on the merits of the amendment, to vote for the amendment.

The PRESIDING OFFICER. Who yields time?

The Senator from Nevada.

Mr. CANNON. Mr. President, if no one else desires to speak, I am prepared to yield back the remainder of my time.

I just want to again remind my colleagues that the Chair has already stated that, if the point of order had

been raised on the committee amendments reported out of Finance, he would have ruled it was not within the jurisdiction of the committee to report such an amendment and, therefore, this obviously is an end run that attacks the whole committee jurisdiction system.

The PRESIDING OFFICER. Does the Senator from Nevada yield back time?

Mr. CANNON. No, Mr. President, I will withhold my time at the moment.

Mr. PACKWOOD. Mr. President, I suggest the absence of a quorum and ask unanimous consent to have the time charged equally against the Senator from Nevada and me.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. PACKWOOD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PACKWOOD. Mr. President, I am prepared to yield back the remainder of my time if the Senator from Nevada is prepared to yield back the remainder of his time.

Mr. CANNON. I yield back the remainder of my time.

The PRESIDING OFFICER. All time has been yielded back. The question is, Shall the decision of the Chair that the amendment of the Senator from Oregon is germane stand as the judgment of the Senate? The yeas and nays have been ordered and the clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Florida (Mr. CHILES), the Senator from Montana (Mr. MELCHER), and the Senator from West Virginia (Mr. RANDOLPH) are necessarily absent.

I further announce that, if present and voting, the Senator from West Virginia (Mr. RANDOLPH) would vote "nay."

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 53, nays 44, as follows:

[Rollcall Vote No. 230 Leg.]

YEAS—53

Abdnor	Grassley	Packwood
Andrews	Hatch	Percy
Armstrong	Hatfield	Pressler
Baker	Hawkins	Quayle
Boschwitz	Hayakawa	Roth
Brady	Heinz	Rudman
Chafee	Helms	Schmitt
Cochran	Humphrey	Simpson
Cohen	Jepsen	Specter
D'Amato	Kassebaum	Stafford
Danforth	Kasten	Stevens
Denton	Laxalt	Symms
Dole	Lugar	Thurmond
Domenici	Mathias	Tower
Durenberger	Mattingly	Wallop
East	McClure	Warner
Garn	Murkowski	Weicker
Gorton	Nickles	

NAYS—44

Baucus	Eagleton	Long
Bentsen	Exon	Matsunaga
Biden	Ford	Metzenbaum
Boren	Glenn	Mitchell
Bradley	Goldwater	Moynihan
Bumpers	Hart	Nunn
Burdick	Heflin	Pell
Byrd, Harry F., Jr.	Hollings	Proxmire
	Huddleston	Pryor
Byrd, Robert C.	Inouye	Riegle
Cannon	Jackson	Sarbanes
Cranston	Johnston	Sasser
DeConcini	Kennedy	Stennis
Dixon	Leahy	Tsongas
Dodd	Levin	Zorinsky

NOT VOTING—3

Chiles	Melcher	Randolph

So the ruling of the Chair was sustained as the judgment of the Senate.

Mr. PACKWOOD addressed the Chair.

The PRESIDING OFFICER. The Senator from Oregon.

Mr. PACKWOOD. Mr. President, might I ask, the time has expired on my amendment, is that right?

The PRESIDING OFFICER. The Senator is correct.

Mr. PACKWOOD. Mr. President, unless time is yielded off the bill, I will be prepared to vote in just a moment, but I do send a modification to the desk and ask unanimous consent to have 30 seconds to explain the modification which has been accepted by both sides.

Mr. ROBERT C. BYRD addressed the Chair.

The PRESIDING OFFICER. The Senator will send his modification to the desk.

Mr. PACKWOOD. Mr. President, what this simply does is relieve the FAA of liability, legal liability, if they contract with the city and allow the city to run the facility that would otherwise close. The city is legally liable. Without that exemption for the FAA, they are reluctant to let the city run the facility, and consequently the facility is closed altogether.

This modification has been cleared with the Senator from Nevada.

The PRESIDING OFFICER. Without objection, the modification is accepted.

Mr. BRADLEY addressed the Chair.

The PRESIDING OFFICER. The Senator from New Jersey.

Mr. BRADLEY. Mr. President, does the distinguished Senator from Oregon still have matters to conclude relating to the last amendment?

Does the Senator from Oregon still have matters to conclude or should we proceed with——

Mr. PACKWOOD. I did not hear the Senator from New Jersey.

Mr. BRADLEY. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The bill clerk read as follows:

The Senator from New Jersey (Mr. BRADLEY) proposes an unprinted amendment.

The PRESIDING OFFICER. Until the pending amendment, as modified, is disposed of, the amendment of the Senator from New Jersey is not in order.

Mr. PACKWOOD. Mr. President, first I am going to ask for the yeas and nays on my amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. PACKWOOD. Mr. President, do I understand the parliamentary procedure is that this amendment is now pending?

The PRESIDING OFFICER. The Senator from Oregon is correct, the amendment is pending. The time for debate on the amendment has expired. The yeas and nays have been ordered.

Mr. PACKWOOD. I understand that. I would like to ask the chairman, or Senator ARMSTRONG, if I might have 2 minutes off the bill to clarify one problem.

Mr. ARMSTRONG. The Senator may yield to himself.

Mr. PACKWOOD. Mr. President, I can explain it from here, and I want to make sure that we have an understanding. The Senator from Kansas (Mrs. KASSEBAUM) has an amendment to raise the airport development levels slightly. The Budget Committee, I understand, is prepared to accept these levels. If that is true, I am willing to offer it as a modification now, but I want to make sure before I offer it that we are OK.

Mr. DOMENICI. Mr. President, speaking just as the chairman of the Budget Committee, not for the Budget Committee, I have agreed not to oppose the modification. It would leave the level of funding for fiscal year 1983 exactly as proposed by the distinguished Senator from Oregon. In the outyears, it permits a higher level of expenditure for the purposes under the act, but this spending is subject to the appropriation process. In the outyears, the levels exceed outyear targets but, nonetheless, are not mandatory expenditures.

In that regard, I am willing to accept the numbers.

Mr. PACKWOOD. In that case, I would send the modification to the desk.

The PRESIDING OFFICER. The Chair will point out to the Senator from Oregon that the yeas and nays already having been ordered, it will take unanimous consent to further modify the amendment of the Senator from Oregon.

Mr. PACKWOOD. Might I ask this: If my amendment is adopted, could those figures then be offered as a subsequent amendment?

The PRESIDING OFFICER. Might the Chair point out to the Senator from Oregon that with unanimous

consent the Senator from Oregon could modify his amendment.

Mr. PACKWOOD. I will ask unanimous consent. I just wanted to make sure we were not blindsiding anybody. The amendment would be offered later and would be accepted. Senator DOMENICI is prepared to accept it.

I ask unanimous consent to modify the amendment to accept the figures of the Senator from Kansas.

The PRESIDING OFFICER. Is there objection?

Mr. DECONCINI. I object.

The PRESIDING OFFICER. Objection is heard.

Mr. PACKWOOD. Then we are prepared to vote on the amendment.

Mr. BUMPERS. Mr. President, parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. BUMPERS. Mr. President, is the amendment of the Senator from Oregon a committee amendment or is it an amendment to the committee amendment?

The PRESIDING OFFICER. It is a floor amendment to the committee amendment.

Mr. BUMPERS. Once it is voted on by the Senate, it is no longer amendable; is that correct?

The PRESIDING OFFICER. There are ways of amending an amendment that has been adopted.

Mr. BUMPERS. I thank the Chair.

The PRESIDING OFFICER. The question is on agreeing to the amendment. The yeas and nays have been ordered.

Mr. ROBERT C. BYRD addressed the Chair.

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. ROBERT C. BYRD. Mr. President, I move to recommit the bill to the Budget Committee with instructions that the bill be reported back forthwith with title IV deleted.

Mr. Baker addressed the Chair.

The PRESIDING OFFICER. The majority leader.

Mr. BAKER. Mr. President, a motion to recommit as the minority leader has just made is clearly in order.

May I inquire how much time there is for debate on that motion?

The PRESIDING OFFICER. There is 1 hour of debate on that motion, 30 minutes on each side.

Mr. BAKER. Controlled by whom?

The PRESIDING OFFICER. By the mover of the recommittal motion and the majority leader.

Mr. BAKER. I thank the Chair.

Mr. President, I yield control of the time to the distinguished chairman of the Finance Committee, and I ask for the yeas and nays on the motion.

Mr. ROBERT C. BYRD. Mr. President, let me rephrase the motion first. I made reference to the Budget Committee. I meant the Finance Committee.

Mr. BAKER. I have no objection to that.

Mr. President, I ask for the yeas and nays on the motion.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. Who yields time?

Mr. ROBERT C. BYRD. Mr. President, I yield myself such time as I may require.

Mr. President, I hope that I may have the attention of the Senate.

Mr. President, may we have order in the Senate.

The PRESIDING OFFICER. The Senate will be in order. Those Senators who wish to converse will retire to the cloakrooms. The staff will move to the seats in the rear of the Chamber. Those in the aisles will refrain from conversing.

The m.nority leader.

Mr. ROBERT C. BYRD. I thank the Chair.

Mr. President, I read from paragraph 5 of rule XV of the Standing Rules of the Senate. It reads follows:

> It shall not be in order to consider any proposed committee amendment (other than a technical, clerical, or conforming amendment) which contains any significant matter not within the jurisdiction of the committee proposing such amendment.

Mr. President, title IV, airport and airway systems development, is clearly, on its face, not within the jurisdiction of the Finance Committee, which proposed the amendment.

Mr. LONG. Mr. President, will the Senator yield at that point?

Mr. ROBERT C. BYRD. I yield.

Mr. LONG. No one has ever contended for a moment that the provision was in the jurisdiction of the Finance Committee. Nobody on the committee has even contended that.

Mr. ROBERT C. BYRD. Exactly.

So, Mr. President, the inclusion of this amendment in this bill is clearly in violation of paragraph 5 of rule XV of the Standing Rules of the Senate.

The fact that the amendment by Mr. PACKWOOD has been ruled by the Chair as being germane does not in any way affect the fact that rule XV has been violated, that it has been circumvented, and that the intent of the rule has been circumvented.

Let me say, as one who had as much as any other Senator—and perhaps more than any other Senator—to do with writing the Budget Reform Act, that it was never the intent of the authors of that act, nor was it the intent of the Senate, to see that act used in ways that would clearly and flagrantly abuse the act and undermine the committee system of the Senate.

Mr. President, may we have order in the Senate?

The PRESIDING OFFICER. The Senate will be in order. Those Senators desiring to converse will retire to the cloakrooms. The staff will move to the rear of the Chamber.

Mr. ROBERT C. BYRD. I thank the Chair.

Mr. President, what I am saying does not go to the substance of the amendment itself. I could vote for or against the amendment, standing alone. I do not know. I would have to study it. What I am saying goes to the Senate as an institution and to the budget process and to the committee system.

If we are going to use this device—and I do not say this in any way derogatorily of the Committee on Finance or of any Senator who sought to include this language in the bill—but if we are going to use this process in this way, then every committee of the Senate, every standing committee of the Senate, should understand that the budget process can be utilized to undermine the committee system and to rob every committee of its jurisdiction over any subject matter that appropriately comes within the jurisdiction of that committee. All that is needed is that the Committee on Finance, in carrying out the reconciliation instructions of the budget resolution, include in its reconciliation instructions, language that involves matters under the jurisdiction of any other committee.

So I can say that this ought to be a matter of concern to the Senator from Vermont (Mr. STAFFORD), chairman of the Committee on Environment and Public Works. It is a matter that ought to be of concern to Mr. DOLE, chairman of the Committee on Finance. It is a matter that ought to be concern to Mr. PERCY, chairman of the Committee on Foreign Relations. It is a matter that ought to be of concern to Mr. ROTH, who is chairman of the Governmental Affairs Committee; to Mr. THURMOND, chairman of the Committee on the Judiciary; to Mr. HATCH, chairman of the Committee on Labor and Human Resources; to Mr. MATHIAS, chairman of the Committee on Rules and Administration, and to the chairmen of all other standing committees. It ought to be a matter of concern to the ranking minority members of those committees.

As a matter of fact, it ought to be a matter of concern to the chairmen of every subcommittee of every standing committee in the Senate; because if this approach can be taken and can succeed, then we might as well do away with the committee and subcommittee system in the Senate, because no longer can committees be sure that they, and they alone, will have jurisdiction over the subject matter that is set forth and assigned to them in rule XXV of the Standing Rules of the Senate—the subject matter that appropriately comes within their jurisdiction.

So I approach this because I am deeply concerned that the budget process here is being used in a way that will undermine the committee system and in a way that will undermine the institution; because, after all, the Senate operates basically on the committee system. The committees of the Senate are minilegislatures—they are small legislative bodies acting within the overall aegis of the full committees.

I think we do a serious injury to the committee system and we do a serious injury to the budget process when we use the budget process to include authorizing legislation that otherwise would come before the Senate, that otherwise would not be subject to the time limitations and rule of germaneness governing this bill, and that also subverts the institution itself.

I say to the majority that the minority never did this. I can see in it the seeds of destruction of the committee system and, ultimately, the seeds of destruction of the budget process itself.

I hope that some way can be found here to remove this language from this bill, and it is for that purpose that I have offered the motion to recommit the bill with instructions that it be reported back forthwith, with title IV deleted.

If the Senate does not do that, I say to the majority, in the utmost spirit of goodwill, that we are sowing the seeds of destruction of the budget reform process and of the committee system. We are undermining the institution. We are giving too much power to the budget process, and when we give that power to that process, we take it away from the ordinary process to which the Senate has been accustomed for so many decades. We are sowing the wind that will reap the whirlwind.

I implore my colleagues to vote for this motion to recommit. If the motion to recommit fails, at such time as the Senate reaches title IV, I will make a point of order against that title, on the basis that it violates paragraph 5 of rule XV of the Standing Rules of the Senate and that it goes beyond the intent of the rule, because no Senate committee can report any amendment which contains any significant matter not within the jurisdiction of the committee proposing such amendment.

This language is not within the jurisdiction of the Finance Committee to report, and if the Senate upholds this approach today then the Finance Committee has a perfect right, in my judgment, to claim jurisdiction in the future over this subject matter which at this moment appropriately comes within the jurisdiction of the Commerce Committee and is so stated in rule XXV of the Standing Rules of the Senate to come within the jurisdiction of the Commerce Committee.

So, Mr. President, this is a very, very serious matter, and I would hope that the chairmen of the committees who are on the other side of the aisle would view it as being very serious because I tell you, Mr. President, the majority is not always going to be on that side of the aisle. In time, the majority will again be on this side of the aisle and if the majority today bends the intent of the rule, circumvents the intent of the rule, undermines the budget process, undermines the committee system, then today's majority which tomorrow will be in the minority will have ample time to regret the action that it is taking today.

Of course, the majority today can make the minority bend to the majority's will. But the majority of yesterday did not use the budget process in this way.

If the budget process is going to be used in this way, let me say here and now that the minority of today will some day be in the majority and I do not want to see this process undermined by either party, whichever party happens to be in the majority, because the institution is at stake, the committee system is at stake, the budget reform process is at stake, the reconciliation process is at stake, and if we are going to commit mayhem on all of these processes today just to get this title IV enacted we will have done a tremendous disservice to the committee system, to the budget reform process, to the Senate itself and it will be a disservice that we all will come to regret.

I yield the floor.

(Mr. ABDNOR assumed the Chair.)

Mr. BAKER. Mr. President, will the Senator from Oregon yield to me 3 minutes?

Mr. PACKWOOD. I am happy to yield 3 minutes.

Mr. BAKER. I do not think anyone in this room knows more about being in the minority than I do. I have been in the minority since I came to the Senate except for the last year and a half, and I can attest to the fact that being in the majority is better, but I can also say that my judgment on this matter has nothing to do with being in the majority or the minority. I have the utmost respect for the minority leader as I indeed had great respect for him as majority leader.

I do not judge what I am about to do here on the basis of whether I am in the majority or the minority but rather on the basis of the continuing unfoldment of the precedents of the Senate in the execution of the bill which is new and in so many ways untried and on which there is a great shortage of precedent. I am speaking of the Budget Act, Mr. President.

But let us analyze where we are just for the moment. It is certainly no violence to the precedents and rules of the Senate to say that on other occasions there have been cases where money was provided for a specific function and fund and that the Finance Committee claims jurisdiction over how those funds are to be raised. They make also some direction as to how they were to be spent. We do not have to go very far to find an example. Medicare and medicaid are extensively programmatic by statute and on which the Finance Committee properly gains jurisdiction on the disposition of those funds and services the same.

On social security, certainly there is a tax consequence which is claimed by the Finance Committee and there are extensive directions on how those funds should be applied, although the execution of that direction will cut across jurisdictional lines in Congress and the Senate extensively. There are unemployment compensation, black lung, and others.

Mr. President, the only argument I make is that if there is a revenue measure involved, if there is a tax matter involved clearly the Finance Committee has jurisdiction and that it is equally attractive as an argument in this field to say that when the authority exists for the imposition of the tax there is some opportunity for the same committee, that is the Finance Committee, to exercise some judgment on how it will be spent.

Once again, this is a field in which we have little experience. The whole Budget Act is largely untried and it is one that is evolving and growing.

I am not standing here, Mr. President, and saying this is the best way to handle this subject, I am not saying that the Finance Committee should take the jurisdiction of the entire ADAP program from the Commerce Committee.

All I am saying is that it is not without precedent to deal with the matter in this way and I believe the motion to recommit with instruction should be defeated.

Mr. PACKWOOD. Mr. President, I yield 3 minutes to the Senator from Kansas.

Mrs. KASSEBAUM. Mr. President, I will share certainly the concerns that the Senator from West Virginia has expressed. As chairman of the Aviation Subcommittee, I believe this has been an issue of great concern to all of us who are interested in aviation matters because we have been so anxious to see some authorizing legislation for the airport development and airways program. It has been in limbo for a couple of years and there has been great uncertainty about the funding for that program.

It has a unique relationship because of the authorizing legislation coming from the Commerce Committee and the funding of that legislation, of course, originating with the Finance Committee. When the Finance Com-

mittee decided to include the taxes in the reconciliation package, we then were left with little choice but to include the authorizing legislation. Otherwise, we would have had the user fees already voted on and accepted through the reconciliation measure and there would be no purpose for them because we would not have had the authorizing legislation approved.

Therefore, we were caught in this particular dilemma and it does seem to me that while it is not the best of both worlds in many instances, it is a logical reason for us to address this particular issue in this way.

And as I say certainly, Mr. President, I will share the concerns of the Senator from West Virginia, but I believe this is a particular and unique situation and so we were forced to deal with it in this particular way.

I thank the Senator from Oregon.

Mr. PACKWOOD. Mr. President, will the Senator from West Virginia, on my time, respond to a question?

Mr. ROBERT C. BYRD. Yes.

Mr. PACKWOOD. If the Senator from West Virginia is successful in removing title IV, what is his intention to do with the user fees that are left in the bill?

Mr. ROBERT C. BYRD. May I say to the distinguished Senator, let me answer this question in my own way. There is legislation on the calendar already that deals with airport and airway development.

I will so make a point of order at an appropriate time, when the Senate reaches this section, that this language violates rule V and we will get a ruling of the Chair.

But this language goes beyond the instructions in the budget resolution. It talks about airport hazard, airport noise, compatibility planning, airport system planning. It goes to the national airport systems plan. It goes to navigation aids, the airport improvement program, and the airway improvement program, and on, and on, and on.

It clearly is in violation of rule XV. That is the only point I make. I am not, by moving to recommit this bill, saying I am against the title that is in the bill. I am not necessarily against it if it were standing alone. I am simply saying this procedure circumvents rule XV, and in a way which in the future will lead to further circumvention of the rule.

Mr. PACKWOOD. Mr. President, let us put things into proper priority. We have talked about reconciliation being a new process, and it is. The budget process is a new process. It is not rape of democracy. Reconciliation as we know it is the common method of budget legislating in most parliamentary democracies of the world, so we are not destroying civilization if we start of adopt this process.

You can argue whether we should ever have reconciliation or not, but we are moving down that road. Maybe we are going to move down it every year, I do not know.

The Budget Committee gives the Finance Committee instructions to raise a certain amount of money. They almost came up with a gasoline tax. They did come up with these aviation taxes, and what the Senator from West Virginia is saying is it is all right to levy the tax on the automobile users, levy it on the aviation users, but you cannot legislate for the purpose for which the tax is levied.

Mr. ROBERT C. BYRD. The Senator from West Virginia said no such thing.

Mr. PACKWOOD. This is on my time.

Mr. ROBERT C. BYRD. Mr. President, I ask for the record——

Mr. PACKWOOD. What he is saying is he wants to strike title IV. He is saying the Finance Committee can come up with user fees; they just cannot come up with a purpose for which the fees will be used.

Do I misstate the Senator's point?

Mr. ROBERT C. BYRD. The Senator is totally trying to put words in my mouth, and I will not allow him to do it. I am not saying that at all. I simply go strictly and only to the institutional matter, to the procedural aspect—not to substance.

Mr. PACKWOOD. Does the Senator want to strike out the use of the fees, right?

Mr. ROBERT C. BYRD. I want to strike this section from the bill. It is perfectly all right with me if the majority leader calls up the bill, if it is on the calendar, and does what the Senator wants to do on the use of the fees.

Mr. PACKWOOD. All I am saying is what he is suggesting. It is a problem we have had for a number of years, including when the Senator from West Virginia was using a ticket tax on airline tickets, when it went into the general fund.

Mr. ROBERT C. BYRD. Let us do directly what we do directly; let us not do indirectly what we can not do directly.

Mr. PACKWOOD. As the Senator is perfectly aware I could have—had the Chair ruled that my amendment was out of order I could have—as has been done a number of times on the budget bill, moved under the rules to waive germaneness. That does not do violence to the process. There are a number of ways of getting this before us.

The Senator from West Virginia himself is used to using one committee to overcome what another committee has decided. We do it each year annually on the Cardinal train when we set down standards in the Commerce Committee, which has jurisdiction over transportation, and the Cardinal would not run under those standards.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield?

Mr. PACKWOOD. No. He then comes here and moves on the Senate floor to move the Cardinal appropriation jurisdiction regardless of the determination we have made, in violation of the spirit of jurisdiction.

Now he is saying what is sauce for the goose is not sauce for the gander.

All I am saying is we have not done anything unusual in this body, let alone anything that is unusual to most parliamentary bodies.

Last of all, I would say that if you are going to say to the Finance Committee, You may go ahead and levy aviation gas taxes, jet fuel taxes, airline ticket taxes, freight taxes and mount them up in a surplus, but not use them for user purposes, then I believe that does worse violence than whatever this minor process does that seems to bother the Senator from West Virginia.

Mr. ROBERT C. BYRD. Well, I daresay many Senators should be bothered by this procedure if it is allowed to stand.

Mr. PACKWOOD. The majority of the Commerce Committee requested we proceed this way.

Mr. ROBERT C. BYRD. I am sorry about that. Did I understand it did not include any Democrats? I am not arguing the substance at all. I am simply saying that this procedure is violative of rule XV which states in plain English that

> It shall not be in order to consider any proposed committee amendment other than a technical, clerical, or conforming amendment which contains any significant matter not within the jurisdiction of the committee proposing such an amendment.

I am saying article IV of this legislation is not within the jurisdiction of the Finance Committee. That is all I am saying. I am saying the Senate ought to uphold the rule which it itself enacted.

Mr. PACKWOOD. I am confused by the rule, rule 5?

Mr. ROBERT C. BYRD. Paragraph 5 of rule XV.

Mr. PACKWOOD. I am sorry.

The PRESIDING OFFICER. Who yields time?

Mr. PACKWOOD. I yield 5 minutes to the Senator from New Mexico.

Mr. DOMENICI. I only need 2 minutes, if the Senator will yield 2 minutes.

I am not going to involve myself in this argument other than to clarify the record that the budget resolution recommended by the Budget Committee, voted on by both Houses of Congress, and thus turned into a binding reconciliation instruction, does not, I say to the Senate, tell the Committee on Finance what taxes to raise. I do not want any misunderstanding here that the Congress, in voting in a reso-

lution from the Budget Committee, talked about airport users fees or waterway user fees or income taxes or loopholes that are to be closed. We did not.

Our instruction is $20.9 billion in new revenues over the baseline for 1983, and then certain amounts in the outyears.

So the decision on how to do it was made by the Committee on Finance, and I think both Senators who are engaged in this discussion understand that. I do not want that misunderstood.

I thank the Senator.

Mr. PACKWOOD. Mr. President, will the Senator from West Virginia respond to one last question?

Mr. ROBERT C. BYRD. Yes, on the Senator's time.

Mr. PACKWOOD. Fine.

Does the Senator from West Virginia agree that in his estimation I would be within the rules had I moved, had the Chair turned down my amendment and said it was out of order, I would have been in position to waive germaneness by 51 votes and would have been able to present the amendment?

Mr. ROBERT C. BYRD. No, I do not agree with that at all. In the first place, I do not think the Senate had any business under the bill in holding the Senator's amendment germane to a portion of the committee substitute which has never yet been acted upon and approved by the Senate. If the portion of the committee substitute had been acted upon, then it would be a part of the bill to be amended. But the first section has never been acted upon, nor has the second section of the committee substitute.

I do not think the Senate was correct in holding that amendment germane to this committee substitute language which has not been acted upon by the Senate. It was a way of getting around the clear intent and purpose of paragraph 5 of rule XV. It accomplished indirectly that which could not be done directly.

Mr. PACKWOOD. Mr. President, I beg to differ.

Mr. ROBERT C. BYRD. But we are beyond that point. I am not arguing the point of germaneness.

Mr. PACKWOOD. Who has the floor, Mr. President?

The PRESIDING OFFICER. The Senator from Oregon has the floor.

Mr. PACKWOOD. I do not mind if the Senator wants to answer my question, but I am going to yield the floor, and I will yield the floor if he wants to go on, on his time.

The PRESIDING OFFICER. Who yields time?

Mr. ROBERT C. BYRD. Mr. President, how much time do I have?

The PRESIDING OFFICER. Seventeen minutes and eight seconds.

Mr. ROBERT C. BYRD. Mr. President, I simply take a little time to read, from title IV, section 401. Declaration of Policy.

The Congress hereby finds and declares that—

(1) the safe operation of the airport and airway system will continue to be the highest aviation priority;

Is that in fulfillment of the reconciliation instructions? No, it has nothing to do with reconciliation instructions in the recently-passed budget resolution.

(2) the continuation of airport and airway improvement programs and more effective management and utilization of the Nation's airport and airway system are required to meet the current and projected growth of aviation and the requirements of interstate commerce, the Postal Service, and the national defense;

(3) all airport and airway programs should be administered in a manner consistent with the provisions of sections 102 and 103 of the Federal Aviation Act of 1958 (49 U.S.C. 1302 and 1303), as amended by the Airline Deregulation Act of 1978, with due regard for the goals expressed therein of fostering competition, preventing unfair methods of competition in air transportation, maintaining essential air transportation, and preventing unjust and discriminatory practices;

(4) this Act should be administered in a manner to provide adequate navigation aids and airport facilities, including reliever airports, for points with scheduled commercial air service.

Obviously, I do not have to read any further. Obviously, this legislation has nothing to do with the reconciliation instruction. It is an entirely new and complete act that comes within the jurisdiction of the Commerce Committee. It should have been reported out by the Commerce Committee if the Senate was going to act on it and it should have been called up under the normal procedures.

There would have been no rule of germaneness or no restrictions regarding time limitation on debate. We could have debated it back and forth. Amendments could have been offered. Amendments not germane could have been offered to this legislation because there is no rule of germaneness in the Senate except where appropriations bills are concerned, and where the cloture rule XXII is concerned, and where the budget reform process is concerned.

I say I do not find fault with having the act itself, title IV, called up as a separate provision and acted upon by the Senate in the ordinary process of things. But to include it in this measure, which is supposed to be in response to the reconciliation instructions of the recently passed budget resolution, is a subversion of the budget process and is a subversion of paragraph 5 of rule XV. It beats the intent of the that rule.

"It shall not be in order to consider any proposed committee amendment," whether it comes from the Committee on Agriculture, whether it comes from the Committee on Veterans' Affairs, whether it comes from the Committee on Environment and Public Works, or whatever. And every chairman of each of those committees and others should view this with the most grave concern.

It shall not be in order to consider any proposed committee amendment (other than a technical, clerical, or conforming amendment) which contains any significant matter—

And this title IV is significant matter—

any significant matter not within the jurisdiction of the committee proposing such amendment.

Obviously, title IV is a significant matter. Obviously, it is not within the jurisdiction of the Finance Committee. I say that it is violative of the spirit and of the intent and of the word of paragraph 5 of rule XV. For that reason, I hope the Senate will support my motion to recommit the measure to the Finance Committee with instructions that it be reported back with title IV deleted therefrom.

Mr. President, last year we faced a similar situation. Senators will recall that many items which had nothing to do with reconciliation had been included in a reconciliation bill, a bill with time agreements, limited debate, and the germaneness rule.

Last year I offered an amendment to strike such issues from the reconciliation bill. I also threatened to offer an endless series of amendments to the reconciliation bill if these irrelevant issues were not stripped from the steamroller bill. The majority leader and I agreed to strip all of the irrelevant issues off the bill.

That is what we should do here. This 81-page document should not be a vehicle for writing major legislation that comes within the jurisdiction of the Commerce Committee, according to rule XXV, which so states it is within that committee's jurisdiction. We might as well just rip rule XXV out of the rule book.

Standing rule XXV of the Senate says:

The following standing committees shall be appointed at the commencement of each Congress, and shall continue and have the power to act until their successors are appointed, with leave to report by bill or otherwise on matters within their respective jurisdictions.

Now, let us go to the Committee on Commerce:

To which committee shall be referred all proposed legislation, messages, petitions, memorials, and other matters relating to the following subject:

And within the enumerated subjects are those regarding transportation and those regarding nonmilitary aeronautical and space sciences.

I will read the items which are within the jurisdiction of the Finance Committee:

1. Bonded debt of the United States.

Title IV of this bill has nothing to do with the bonded debt of the United States.

2. Customs, collection districts, and ports of entry and delivery.

Title IV has nothing to do with customs, collection districts, and ports of entry and delivery.

3. Deposit of public moneys.

4. General revenue sharing.

5. Health programs under the Social Security Act and health programs financed by a specific tax or trust fund.

6. National social security.

7. Reciprocal trade agreements.

8. Revenue measures generally, except as provided in the Congressional Budget Act of 1974.

9. Revenue measures relating to the insular possessions.

10. Tariffs and import quotas, and matters related thereto.

11. Transportation of dutiable goods.

Mr. President, it is clear on the face of rule XXV that this article does not come within the jurisdiction of the Finance Committee and that, indeed, it comes within the jurisdiction of the Commerce Committee. It is patently obvious on the face of paragraph 5 of rule XV of the Senate that it is not in order to include this legislation in this bill. I hope my colleagues will agree and vote to recommit with instructions.

The PRESIDING OFFICER. Who yields time?

Mr. ROBERT C. BYRD. Mr. President, I yield back the remainder of my time.

Mr. PACKWOOD. I yield back my time.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the motion of the Senator from West Virginia (Mr. ROBERT C. BYRD) to recommit the bill to the Finance Committee with instructions that the bill be reported back forthwith with title IV stricken. The yeas and nays have been ordered and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Florida (Mr. CHILES), the Senator from Montana (Mr. MELCHER), and the senator from West Virginia (Mr. RANDOLPH) are necessarily absent.

I further announce that, if present and voting, the Senator from West Virginia (Mr. RANDOLPH) would vote "yea."

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 43, nays 54, as follows:

[Rollcall Vote No. 231 Leg.]

YEAS—43

Baucus	Bumpers	Cannon
Bentsen	Burdick	Cranston
Biden	Byrd,	DeConcini
Boren	Harry F., Jr.	Dixon
Bradley	Byrd, Robert C.	Dodd
Eagleton	Johnston	Pell
Exon	Kennedy	Proxmire
Ford	Leahy	Pryor
Glenn	Levin	Riegle
Hart	Long	Sarbanes
Heflin	Matsunaga	Sasser
Hollings	Metzenbaum	Stennis
Huddleston	Mitchell	Tsongas
Inouye	Moynihan	Zorinsky
Jackson	Nunn	

NAYS—54

Abdnor	Gorton	Nickles
Andrews	Grassley	Packwood
Armstrong	Hatch	Percy
Baker	Hatfield	Pressler
Boschwitz	Hawkins	Quayle
Brady	Hayakawa	Roth
Chafee	Heinz	Rudman
Cochran	Helms	Schmitt
Cohen	Humphrey	Simpson
D'Amato	Jepsen	Specter
Danforth	Kassebaum	Stafford
Denton	Kasten	Stevens
Dole	Laxalt	Symms
Domenici	Lugar	Thurmond
Durenberger	Mathias	Tower
East	Mattingly	Wallop
Garn	McClure	Warner
Goldwater	Murkowski	Weicker

NOT VOTING—3

Chiles	Melcher	Randolph

So the motion to recommit was rejected.

Mr. PACKWOOD. Mr. President, I ask for the vote on the amendment.

UP AMENDMENT NO. 1100, AS MODIFIED

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Oregon. The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Montana (Mr. MELCHER), and the Senator from West Virginia (Mr. RANDOLPH) are necessarily absent.

I further announce that, if present and voting, the Senator from West Virginia (Mr. RANDOLPH) would vote "yea."

The PRESIDING OFFICER (Mr. GORTON). Are there any other Senators in the Chamber wishing to vote?

The result was announced—yeas 93, nays 5—as follows:

[Rollcall Vote No. 232 Leg.]

YEAS—93

Abdnor	Dixon	Jepsen
Andrews	Dodd	Johnston
Armstrong	Dole	Kassebaum
Baker	Domenici	Kasten
Baucus	Durenberger	Kennedy
Bentsen	Eagleton	Laxalt
Biden	East	Leahy
Boren	Exon	Levin
Boschwitz	Ford	Long
Bradley	Garn	Lugar
Brady	Glenn	Mathias
Bumpers	Goldwater	Matsunaga
Burdick	Gorton	Mattingly
Byrd,	Grassley	McClure
Harry F., Jr.	Hart	Metzenbaum
Byrd, Robert C.	Hatch	Mitchell
Chafee	Hatfield	Moynihan
Chiles	Hawkins	Murkowski
Cochran	Hayakawa	Nickles
Cohen	Heflin	Nunn
Cranston	Heinz	Packwood
D'Amato	Helms	Pell
Danforth	Humphrey	Percy
DeConcini	Inouye	Pressler
Denton	Jackson	Pryor
Quayle	Simpson	Tsongas
Riegle	Specter	Wallop
Roth	Stafford	Warner
Rudman	Stevens	Weicker
Sarbanes	Symms	Zorinsky
Sasser	Thurmond	
Schmitt	Tower	

NAYS—5

Cannon	Huddleston	Stennis
Hollings	Proxmire	

NOT VOTING—2

Melcher	Randolph

So the amendment (UP No. 1100), as modified, was agreed to.

Mr. DOMENICI. Mr. President, the intent of this modification is to authorize the Secretary of Transportation to enter into a contractual agreement with any State or political subdivision thereof to permit operation of airport facilities presently under FAA jurisdiction. Further, this modification requires that a provision relieving the United States of any and all liability in connection with such airport operations be contained in any agreement entered into by the Secretary. The closing of many airports across our Nation resulting from last fall's illegal air traffic controllers strike has placed a strain on State and local government's ability to provide adequate public safety and service for their community airports. This modification provides some flexibility for funding those airports most affected. Mr. President, I would like to address several questions to the chairman of the Commerce Committee, the distinguished Senator from Oregon (Mr. PACKWOOD). Would this modification provide adequate authority for the Secretary of Transportation to insure the ability of State and local governments to contract/subcontract air traffic control and other airport operation services?

Mr. PACKWOOD. Mr. President, yes, this modification as drafted will provide adequate authority to the Secretary of Transportation.

Mr. DOMENICI. Mr. President, many airports throughout the country including several within my State of New Mexico are closed temporarily due to the illegal air traffic controllers strike last fall. I ask the distinguished Senator from Oregon would this modification give State and local governments associated with these 69 or so affected airports including level II airports the ability to enter into contractual agreements with the Secretary of Transportation for the operation of airport facilities?

Mr. PACKWOOD. Mr. President, in answer to the distinguished Senator from New Mexico, this modification will provide eligibility to the 69 or so affected airports across our Nation. In addition, the State and local governments would be free to operate their airports using private contractors for facility services at the above mentioned airports.

Mr. DOMENICI. Mr. President, I also ask the distinguished Senator from Oregon who would pay for the contracted airport facility services and in what form would this payment be made?

Mr. PACKWOOD. Mr. President, the FAA would pay the State or local government in the form of a grant authority which would be incorporated into the contractual agreement between the respective parties for the operation of subject airport facilities. Funds for this payment would come out of the FAA operations account.

Mr. DOMENICI. Mr. President, I have one final question for the distinguished Senator from Oregon. What impact would this modification have on the financial and human resources of the FAA to operate and maintain our Nation's airway system?

Mr. PACKWOOD. Mr. President, the provisions of this modification will result in an overall improvement of the air traffic control system. With the ability of local governments to contract air traffic control services from the private sector, newly trained FAA controllers can be assigned to the larger airports presently understaffed since last fall. The air traffic control system would recover that much faster. Current experience with contracted air traffic control services indicates that costs to staff control towers is approximately one-half the cost associated with FAA controller staffing. This would enable the FAA to staff more airport towers throughout the country without additional costs.

Mr. DOMENICI. Mr. President, I thank my good friend, the distinguished Senator from Oregon, for answering my questions concerning this modification.

Mr. GRASSLEY. Mr. President, I am very pleased to offer my strong support for the provisions authorizing the spending for the planning and development of airports, as well as the modernization of our overall airway system. This legislation represents welcome relief from the uncertainties that have overshadowed the vital work of improving our Nation's airports and air systems since ADAP authorization expired in 1980.

These provisions authorizing the continuation of our ADAP programs have significant ramifications for our Nation as a whole. This legislation will keep us on course with the comprehensive plan to upgrade and enhance our airway system that was established over a decade ago with the creation of the Airport and Airway Development Act. The ADAP program set in motion a thoroughly studied and planned approach to meeting the growing needs and demands for safe, sufficient air service to the year 2000, and sets a firm foundation for the air service requirements for the years beyond.

The magnitude and significance of this program is matched only by the great highway plan initiated by President Eisenhower. And like our highway program, the ADAP program protects us from the pitfalls and inefficiencies that can too easily accompany patchwork approaches to the development of transportation systems.

On this note, I offer hearty congratulations to the chairman of the Commerce Committee and to the chairman of the Aviation Subcommittee for the tremendous effort that they devoted to reaching an equitable, workable compromise. Airway users throughout America owe a debt of gratitude for the long hours and hard work that you sacrificed in order to keep our airway projects on course.

It is essential that we pass legislation this year. The Secretary of Transportation has made it clear that the fiscal year 1982 obligations for airport rest upon the ability of Congress to pass this authorization package. Since no one wants to see our airway projects jeopardized, I hope that the Senate and House will both recognize the importance of passing this package.

I should like to take this opportunity to share with my colleagues some information that underlines the importance of this legislation to my home State of Iowa. There are a large number of small and large airport projects depending upon the renewal of ADAP funding authorization. If this legislation passes, Iowa's airport could expect over $8.1 million during fiscal year 1982 and fiscal year 1983 from apportionment allocations alone.

In addition to funds from apportionments, a number of Iowa airports urgently need discretionary funding. I do not need to mention them all, but there are three smaller airports that are in particular need of discretionary funding in order to improve their capacity. These airports are located in Decorah, Charles City, and Sheldon. There is a critical need for money to expand runways in order to accommodate business aircraft that must use these smaller airports more frequently to carry company officials. Since air deregulation took effect, some of our medium sized airports have lost air service from some of the major airlines—air service that companies had utilized to carry their representatives on business trips. Now the small airports must carry the burden by handling the increased number of business aircraft. Unfortunately, if these small airports are unable to meet this challenge, many of these businesses may have to leave these cities. This results in a tremendous loss of jobs and money to our communities, and hurts the State as a whole. It is my hope that the Federal Aviation Administration can offer the necessary assistance to these small airports.

I should also like to draw particular attention to the needs for discretionary funding for the terminal and apron project at the airport in Cedar Rapids, Iowa. Although this project is already underway, and the Federal Aviation Administration has contributed over $1 million in discretionary and enplanement money, at least $5 million more is needed from the FAA to complete this essential project.

At this point, I should like to ask a question of the chairman of the Senate Commerce Committee, the Senator from Oregon.

Mr. PACKWOOD. I shall be happy to respond to the Senator from Iowa.

Mr. GRASSLEY. As chairman of the Commerce Committee, the Senator has clearly shown his recognition of the importance of providing continuity in this ADAP program, as well as the projects involved. This is why the Senator and the chairman of the Aviation Subcommittee worked so hard in moving this vital legislation ahead, and I commend both Senators for their efforts.

In this light, I should like to address and emphasize the dilemma in which Cedar Rapids finds itself in attempting to complete its airport project. Within 60 days, it will have spent all of its available funding for its project and will be looking for additional assistance from the FAA—not only for apportionment funds, but also discretionary funding.

As important as timely financial assistance, however, is the need for a long-term commitment from the Federal Government to support the completion of this essential airport development project. A good portion of the overall funding for the airport project is being generated from local and State sources. Therefore, it would be very helpful to the community of Cedar Rapids if additional assurances could be obtained. Clearly, through the FAA's past financial support, the FAA is fully cognizant of the importance of this Cedar Rapids project. I think it would be very helpful, however, if further assurances could be offered by Congress that it, too, supports the expeditious completion of this airport project.

As chairman of the Commerce Committee, could the Senator agree that the Cedar Rapids project should be given the FAA's fullest consideration for continuing support?

Mr. PACKWOOD. I say to the Senator from Iowa, that I agree that the Cedar Rapids air terminal project is, indeed, an important project that warrants the FAA's utmost consideration and assistance through the project's completion. I should also like to add that I agree that a commitment to continuity is important not only to this project but also to the ADAP program as a whole, so I thank the Sena-

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tor for his support of this ADAP provision.

Mr. GRASSLEY. I thank the Senator for his words of assurances for Cedar Rapids and for his efforts for all our Nation's airway users and airports.

The PRESIDING OFFICER. Who yields time?

UP AMENDMENT NO. 1101

Mrs. KASSEBAUM. Mr. President, I send to the desk an unprinted amendment and ask for its immediate consideration.

The PRESIDING OFFICER. In order to deal with this amendment at this time, unanimous consent is required. Is there objection? The Chair hears none, and it is so ordered.

The amendment will be stated.

The legislative clerk read as follows:

The Senator from Kansas (Mrs. KASSEBAUM) proposes an unprinted amendment numbered 1101.

Mrs. KASSEBAUM. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Add a new section 38 to the Packwood-Kassebaum amendment as follows:

SEC. 38. Notwithstanding any other provision of this act the amounts listed in subsection 6(a) shall be changed as follows:

On page 15, line 7 delete "$1,740,000,000" and insert in lieu thereof *"$1,843,500,000"*.

On page 15, line 8 delete "$2,533,500,000" and insert in lieu thereof *"$2,755,500,000."*

On page 15, line 9 delete "$3,582,900,000" and insert in lieu thereof *"$3,772,500,000."*

Mr. STENNIS. Mr. President, may we have order?

The PRESIDING OFFICER. The point of the Senator from Mississippi is well taken. The Senate is not in order. The Senate will be in order, so that Members can hear the Senator from Kansas.

Mrs. KASSEBAUM. Mr. President, this amendment in many ways has been agreed to. The Budget Committee has agreed to these figures. The Commerce Committee is in agreement with these figures. The Finance Committee is in agreement with these figures. This is because the taxes that are included in reconciliation were specifically set at levels that would support these figures.

The arguments have been made on this matter; and if it is agreeable with the manager of the bill, I would simply ask for a voice vote on this amendment.

Mr. PACKWOOD. Mr. President, the amendment is acceptable to the manager of the bill. I know it is acceptable to the Budget Committee. I believe it is acceptable to the ranking minority member, the Senator from Nevada. I would be glad to accept it without a rollcall vote.

Mr. CANNON. I have no objection to the amendment, Mr. President.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. I have no objection.

Mr. President, I commend my distinguished colleagues, the chairman of the Commerce Committee, Mr. PACKWOOD, and the chairman of the Aviation Subcommittee, Mrs. KASSEBAUM, for their very fine efforts in holding together a very diverse group of aviation interests. The compromise reached by Mr. PACKWOOD, Mrs. KASSEBAUM, the administration, and virtually all of the aviation community represents sound public policy and will insure that critical improvements to our Nation's airports and air traffic control system will be accomplished.

The Kassebaum amendment conforms with the ADAP spending levels in the first budget resolution for fiscal years 1982 and 1983.

This approach is both logical and consistent, because the proposed increases in spending will be fully financed by increases in aviation user-fee charges. The users of the aviation network—that is, commercial airlines, general aviation users, travelers and business—will be the primary support for much-needed improvements in the safety and efficiency of our Nation's airways.

Since Congress is being asked to raise aviation user fees above current levels, it is logical to increase spending for the airport grants-in-aid (ADAP) program and for modernization of the air traffic control system, critical to the safety of the national airspace system.

The Kassebaum amendment also enables a much larger percentage than ever before of the Federal Aviation Administration's (FAA) operating and maintenance account to be paid for by the users of the system, rather than general taxpayer dollars. Those that benefit from the FAA's provision of an exemplary air traffic control system, flight service information, maintenance of airports, flight service stations, and en route centers will be required to contribute to the costs of these services.

It is fully appropriate that the general taxpayer not be burdened with all of these expenses. The Kassebaum amendment enables much of the FAA's operating and maintenance costs that are clearly attributable to air carriers and general aviation users to be financed by those that have the most to gain from the provision of these services. No longer is the general taxpayer being asked to subsidize to as large an extent the users and beneficiaries of the FAA's services.

Mr. President, after 3 arduous years of attempting to reauthorize the ADAP program on a long-term basis, I am pleased that we have reached a satisfactory compromise. No longer will the FAA be subjected to its annual fear that the ADAP program will not be reauthorized until the last days of the fiscal year. The Kassebaum amendment will put the ADAP program back on a healthy basis and will result in significant improvements to the safety, accessibility, dependability, and mobility of our Nation's airways.

Mr. President, I think the important dollar amount is the spending level for the fiscal year 1983. That remains constant in all respects with what we had proposed before and what the budget targets are.

For the composite of all 5 years, fiscal years 1983 through 1987, it is the same amount of money as the Packwood amendment. Fiscal years 1984 and 1985 have been increased, and fiscal years 1986 and 1987 have been decreased. These spending levels are subject, nonetheless, to the appropriation process. I will not say subject to appropriations but to the appropriation process, because of obligation ceilings that are part of the Appropriation Committee's responsibility.

Therefore, I have no objection. The Senator from Kansas states the case. The taxes are raised, and there are those who are supporting increased user fees that expect them to be spent. This is the first time in recent history that the majority of the FAA's operating expenses will be supported by aviation users rather than the general taxpayer. That is unique. That makes it very commendable.

I have no objection. I do not think it is fair to say the committee favors it. The Senator from New Mexico favors it.

The PRESIDING OFFICER. Who yields time?

Mr. PACKWOOD. Vote.

The PRESIDING OFFICER. Do the managers of the time yield back the remainder of their time on this amendment?

Mrs. KASSEBAUM. I yield back my time.

The PRESIDING OFFICER. Does the Senator from Louisiana yield back his time?

Mr. LONG. I yield back my time.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the amendment of the Senator from Kansas.

The amendment (UP No. 1101) was agreed to.

Mrs. KASSEBAUM. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. PACKWOOD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UP AMENDMENT NO. 1102

(Purpose: Balanced Aviation Trust Fund)

Mr. CANNON. Mr. President, I send an amendment to the desk on behalf

of myself and Senator JEPSEN and ask for its immediate consideration.

The PRESIDING OFFICER. The consideration of the amendment by the Senator from Nevada at this point on the committee amendment requires unanimous consent.

Does the Senator so ask?

Mr. DOLE. Mr. President, I ask unanimous consent that the amendment may be in order.

The PRESIDING OFFICER. Is there objection?

Mr. PACKWOOD. I do not think I have any objection.

Which amendment is it?

Mr. CANNON. This is the $500 million or more surplus.

Mr. PACKWOOD. I am going to oppose the amendment. I have no objection to considering it.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment will be stated.

The legislative clerk read as follows:

The Senator from Nevada (Mr. CANNON), for himself and Mr. JEPSEN, proposes an unprinted amendment numbered 1102.

Mr. CANNON. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 440 of the committee amendment, insert the following new section between lines 10 and 11:

Sec. 283A. Balanced Aviation Trust Fund.

SEC. . (a) Notwithstanding any other provision of law, if, at the end of any fiscal year, the amount of unobligated funds in the Airport and Airway Trust Fund (including funds collected during such fiscal year but not yet transferred to the Trust Fund) exceeds $500,000,000, the rate of tax imposed on fuel used for noncommercial aviation under section 4041(c)(1) of the Internal Revenue Code of 1954 for the following fiscal year shall be 3½ cents per gallon.

Mr. CANNON. Mr. President, this amendment that I offer to the Airport and Airways Revenue Act requires lower tax levels than those approved by the Finance Committee, if a large trust fund surplus exists, and I offer this amendment on behalf of myself and Senator JEPSEN.

If there is a surplus at the end of any fiscal year exceeding $500 million, then the fuel tax on all aviation fuels will be 8½ cents per gallon. This lower tax level makes perfect sense because it is tied to the trust fund surplus. As long as there is a surplus in this fund higher aviation taxes will not in any way help to balance the general treasury accounts.

The Aircraft Owners and Pilot Association strongly support this amendment, and I urge my colleagues to approve it.

Mr. PACKWOOD. Mr. President, I hope the Senate will not adopt this amendment. As I indicated earlier, this is a fragile coalition. This amendment is directed solely toward the benefit of those people who fly private airplanes.

I am aware of their interest and none of them want any taxes, but a majority of the aviation community agreed that we would increase the taxes on commerical passengers tax, the tax on jet fuel and gas for general aviation, and the tax on tubes and tires. We have a triggering mechanism in this amendment that has been accepted. That triggering mechanism says that if 85 percent of the money that is authorized for airport development is not made available for obligation then the taxes end. So we do not need to worry about the fund mounting up and we frankly have had that problem in the past. It is not unique. It has happened under past administration. But all administrations when they are desperate for money want to get trust funds and not spend them, because they get to count the trust funds up against their efforts to reduce the deficits and produce revenues. If they do not have to spend the money, it narrows the deficit.

There were years when there were billions of dollars in the aviation trust fund that were not being spent. That problem will be alleviated by the trust fund triggering mechanism.

And I will say again if each year we do not obligate 85 percent of the airport development money authorized then the taxes end.

The amendment of the Senator from Nevada relates only to the aviation gas tax, a tax that at one time was 7 cents when aviation gas was about 35 cents. The Finance Committee bill moves it to 12 cents when aviation gas is now about $1.90.

At one time when it was 7 cents the tax on aviation gas comprised about 10 percent of the trust fund. Today at 12 cents it will comprise about 2 percent of the trust fund. After we have put this agreement together with all of the parties concerned realizing that no one likes taxes on themselves, it is unfair to say instead of the triggering mechanism where all taxes will go down, if we do not allocate the money we say to only one group, "Your taxes will go down." Not the airline passengers, tax not the person who sells tubes and tires, not jet fuel, just the taxes on aviation gasoline. That is certainly not a group that has liked the tax. They like the bill. They just do not like the tax to pay for it.

I think it would be unfair to single them out, and I hope the amendment will be defeated.

Mr. DOLE. Mr. President, will the Senator yield?

Mr. PACKWOOD. I yield.

Mr. DOLE. Mr. President, I certainly share the views expressed by the distinguished Senator from Oregon.

I wish to refer to a letter just received from the Secretary of Transportation.

Mr. President, I ask unanimous consent to have printed in the RECORD the letter received by me from the Secretary of Transportation dated July 19, 1982.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE SECRETARY OF TRANSPORTATION,
Washington, D.C., July 19, 1982.

Hon. ROBERT DOLE,
Chairman, Committee on Finance,
Washington, D.C.

DEAR MR. BOB: I am writing to you and to the Chairman of the Commerce Committee to oppose the suggestion of an amendment to the upcoming airport-airway legislation that would reduce 12- and 14-cent-a-gallon user fees, as applied to general aviation activities, to a level of 8.5 cents-a-gallon.

The legislation your Committees have crafted represents a broad consensus on how to continue the successful user-fee-supported program that has underwritten national aviation activities for more than a decade. All parties have compromised their deeply felt interests to arrive at a bill that can be passed. It would be totally unfair to them if a single party now succeeded in changing the balance of this legislation.

General aviation has enjoyed a 7-cent-a-gallon user fee for its participation in the nation's airport-airway system since 1970. If this fee were adjusted for inflation alone, as the percentage taxes on airline passenger tickets and air cargo effectively are, the 7-cent fee would have risen to at least 15 cents. At the 7-cent rate, general aviation pays for an extremely small portion of the FAA facilities and services it uses. Furthermore, general aviation is the area of greatest growth through the 1990's, during which period the number of active general aviation aircraft are expected to more than double the present number of all planes. General aviation will put particular strain on the system as the growing population of privately-owned sophisticated jet aircraft use more and more air-traffic and navigational aids.

The 12- and 14-cent-a-gallon fees proposed by your Committees are more than fair to the general aviation community. They represent a far smaller portion of operating cost on $2-a-gallon fuel than the 7-cent fee represented on 40-cent-a-gallon fuel in 1970. On a fully allocated basis, the 12-cent and 14-cent flat-rate levels represent the low side of general aviation's share, which share was arrived at through lengthy compromise with all user groups. As you know, the House Ways and Means Committee has already defeated an attempt to amend this section by reducing general aviation's share, and instead reported a 12-cent tax. To maintain this critical legislation in the form in which broad consensus was reached, it is essential to resist any amendment to reduce user fees on aviation fuels.

Sincerely,

DREW.

Mr. DOLE. Mr. President, Secretary Lewis points out that:

General aviation has enjoyed a 7-cent-a-gallon user fee for its participation in the nation's airport-airway system since 1970. If this fee were adjusted for inflation alone, as the percentage taxes on airline passenger tickets and air cargo effectively are, the 7-cent fee would have risen to at least 15 cents.

So I do not think we are imposing any undue burden on general aviation. I think some have argued that they

are not paying their proportionate share for their proportionate use of the system.

I also say that our counterpart, the House Ways and Means Committee, has already defeated an attempt to amend this action by reducing the general aviation share and instead reported a 12-cent-per-gallon tax, and I am certain that in the House of Representatives they are certainly just as concerned about general aviation as we are.

PRIOR LAW

Under prior law the general aviation gasoline tax was 7 cents per gallon. On October 1, 1980 it was reduced to 4 cents per gallon.

AMENDMENT

The amendment would decrease the general aviation gasoline tax to 8.5 cents per gallon if the surplus in the trust fund balance exceeded $500 million.

REVENUE EFFECT [1]

[Loss in billions of dollars]

Fiscal year—				
1983	1984	1985	1986	1987
−0.013	−0.013	0.014	−0.014	−0.015

[1] Joint Committee on Taxation figures.

Some have statistics that would show if the general aviation gasoline tax were set at a rate that is proportionate to the general aviation use of the system, the tax rate would be approximately 50 cents per gallon.

Since the aircraft use tax is not being reinstated, statistics show that an 8½-cent-per-gallon gasoline tax would result in general aviation paying less total aviation taxes in 1982 than they paid in 1970.

The following aviation groups support the 12- and 14-cent-per-gallon fuel tax: (1) the National Business Aircraft Association; and (2) the General Aviation Manufacturers Association.

Prior to October 1, 1980, the general aviation gasoline tax was 7 cents per gallon. If it is increased to 8.5 cents per gallon, this will only represent a 1½-cent-per-gallon increase in general aviation gasoline taxes since 1970. On the other hand, general aviation nongasoline fuel taxes will double during the same period.

For those reasons, I hope that the amendment will be defeated.

Mr. CANNON. Mr. President, I think Senators may have missed the key point here. This is not an attempt to reduce, per se, the tax that general aviation pays.

What is says is that any time there is a surplus in the trust fund of over $500 million, then the triggering action would take place.

That surplus was created by the taxes these people pay along with a lot of other people. The Senator from Oregon suggested that we are not reducing the ticket tax. I would be very happy to make the amendment so that it also has a triggering effect to reduce the ticket tax as well, but I thought I would try this one first, and it is based only on the surplus in the trust fund.

If the trust funds were used for the purpose for which it was intended, there would not be that kind of a surplus there and there would be no problem with a triggering mechanism because if it is down below $500 million, the tax would remain just the same as it is in the bill reported by the Finance Committee.

Mr. PACKWOOD. Mr. President, I say again that there is over $2 billion in the trust fund now. This amendment is not prospective. What this does is give a boon to private aviation right now, bam, just like that.

Right now, bam, just like that, the tax level goes down. We have lowered the tax level from that initially recommended by the administration.

My point is not that the money is not going to be spent. It is going to be spent or all of the taxes are going to go off, not just the taxes for general aviation, and that is my quarrel with the amendment.

They have been looking for, and I understand it perfectly, general aviation has been looking for a way to get out from under this tax increase in one way or another. This is a back door attempt to do it by saying if the trust fund, which is over $2 billion, falls below $500 million they are out. They pay 8.5 cents. Everybody else continues to pay the taxes that are in this bill now, everybody but general aviation.

I will say one thing more. This agreement is a fragile compromise in which most of the parties that use aviation agreed to most of the bill. It is unfair now to single out one particular segment for special treatment.

Mr. CANNON. Mr. President, I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. CANNON. Mr. President, if no one else desires to speak I am prepared to yield back the remainder of my time.

Mr. DOLE. I yield back the time.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the amendment of the Senator from Nevada. The clerk will call the roll.

The legislative clerk called the role.

Mr. CRANSTON. I announce that the Senator from Montana (Mr. MELCHER) and the Senator from West Virginia (Mr. RANDOLPH) are necessarily absent.

I further announce that, if present and voting, the Senator from West Virginia (Mr. RANDOLPH) would vote "yea."

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote or change their vote?

The result was announced—yeas 44, nays 54, as follows:

[Rollcall Vote No. 233 Leg.]

YEAS—44

Baucus	Garn	Matsunaga
Bentsen	Glenn	Mattingly
Bumpers	Goldwater	McClure
Burdick	Hart	Metzenbaum
Byrd, Robert C.	Hatch	Mitchell
Cannon	Heflin	Murkowski
Chiles	Helms	Nunn
Cohen	Hollings	Pell
Cranston	Huddleston	Riegle
DeConcini	Jackson	Sarbanes
Dixon	Jepsen	Sasser
Eagleton	Johnston	Schmitt
East	Laxalt	Stennis
Exon	Leahy	Zorinsky
Ford	Levin	

NAYS—54

Abdnor	Durenberger	Pressler
Andrews	Gorton	Proxmire
Armstrong	Grassley	Pryor
Baker	Hatfield	Quayle
Biden	Hawkins	Roth
Boren	Hayakawa	Rudman
Boschwitz	Heinz	Simpson
Bradley	Humphrey	Specter
Brady	Inouye	Stafford
Byrd, Harry F., Jr.	Kassebaum	Stevens
	Kasten	Symms
Chafee	Kennedy	Thurmond
Cochran	Long	Tower
D'Amato	Lugar	Tsongas
Danforth	Mathias	Wallop
Denton	Moynihan	Warner
Dodd	Nickles	Weicker
Dole	Packwood	
Domenici	Percy	

NOT VOTING—2

Melcher	Randolph

So the amendment (UP No. 1102) was rejected.

Mr. PACKWOOD. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. DOLE. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BAKER. Mr. President, if I could have the attention of the Senate, could I inquire of the minority side whether it is their intention to offer an amendment at this time?

Mr. ROBERT C. BYRD. Yes, Mr. President, I understand Mr. BRADLEY is prepared to lay down his amendment and proceed to its consideration on tomorrow.

Mr. BAKER. Mr. President, if agreeable, I would hope that debate on that measure would continue for some time tonight, until, say, 6:30 or thereabouts, and that any vote would occur tomorrow.

ORDERS FOR WEDNESDAY

ORDER FOR RECESS UNTIL 9 A.M.

Mr. BAKER. Mr. President, I ask unanimous consent that when the Senate completes its business today, it

stand in recess until the hour of 9 a.m. on tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR THE RECOGNITION OF SENATOR NUNN ON TOMORROW

Mr. BAKER. Mr. President, I ask unanimous consent that after the recognition of the two leaders under the standing order, the distinguished Senator from Georgia (Mr. NUNN) be recognized on a special order for not to exceed 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER DESIGNATING A PERIOD FOR ROUTINE MORNING BUSINESS AND TO RESUME CONSIDERATION ON H.R. 4961

Mr. BAKER. Mr. President, I ask unanimous consent that, after the execution of the special order, there be a brief time for the transaction of routine morning business to extend not past the hour of 9:40 a.m., and that at 9:40 a.m. the Senate resume consideration of the pending measure.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. BAKER. Mr. President, with that arrangement, and with the representations made by the minority leader, I wish to announce there will be no further rollcall votes this evening. I thank all Senators.

TAX EQUITY AND FISCAL RESPONSIBILITY ACT OF 1982

The Senate continue with the consideration of the bill (H.R. 4961).

The PRESIDING OFFICER. The question is on the first committee amendment. Who yields time?

Mr. DOLE. Mr. President, it is my understanding that the Senator from New Jersey——

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield?

Mr. DOLE. I am pleased to yield.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that Mr. BRADLEY be allowed to lay down his amendment tonight.

Mr. DOLE. I certainly have no objection to that. That is what we hoped.

Mr. LONG. Is that amendment at the desk, Mr. President?

The PRESIDING OFFICER. The request of the minority leader is that the amendment be in order at this time.

Mr. LONG. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. On whose time?

Mr. LONG. On the time of the bill.

Mr. DOLE. Equally divided on the bill.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. BRADLEY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Who yields time?

Mr. BRADLEY. Mr. President, I yield to myself, on behalf of the minority on the Finance Committee, as much time as I need.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. BRADLEY. Mr. President, what is the pending business?

The PRESIDING OFFICER. The pending business is the first committee amendment.

UP AMENDMENT 1103

(Subsequently numbered amendment No. 1978.)

Mr. BRADLEY. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment is not in order without unanimous consent that the first committee amendment be set aside.

Mr. BRADLEY. Mr. President, I ask unanimous consent that this amendment be in order.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

The clerk will state the amendment.

The bill clerk read as follows:

The Senator from New Jersey (Mr. BRADLEY) proposes an unprinted amendment numbered 1103.

Mr. BRADLEY. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BRADLEY. Mr. President, the amendment I have offered is the fairness amendment of this tax bill. Let me say at the outset that I think about 50 to 60 percent of this tax bill is pretty good legislation. However, I think that the remainder of the bill is not so good. I think that it is regressive and I think it hits those individuals who are least insulated from the recession that we find ourselves in. Therefore, Mr. President, I would move to make this tax bill a fairer tax bill.

If we look at both the spending provisions and the tax increases, we are struck by the fact that this is the biggest tax increase in the country's history and that roughly 30 percent of those tax increases fall on middle- and low-income Americans. We also find that a portion of the spending cuts force senior citizens on medicare to pay more of that medicare. What I am proposing to do is keep the following four elements of the tax bill:

I would not increase the unemployment taxes. I would not increase the amount an individual has to pay before he or she can deduct his or her medical expenses and casualty losses. I would not increase the excise tax on cigarettes or telephones.

In addition, this amendment would eliminate the cut in the medicare part B deductible and medicare part B premium, as well as the copayment on home health care and the State reimbursement requirement.

Mr. President, these tax increases and spending cuts that I would not make total about $22.8 billion. To offset those actions, I would then move to defer—and the amendment envisions deferring—that part of the third year of the tax cut that will be received by couples with incomes over $46,000 to $50,000. It is important to note that couples in the incomes under $40,000 would get their tax cut as envisioned by current law in July of 1983, that is, the full 10-percent tax cut. Those couples with incomes in the $46,000 to $50,000 range would have their tax cut phased out. A couple at the $50,000 or so income level would not get their tax cut until the Congress balanced the budget. Then they could have their tax cut.

Mr. President, this amendment recognizes that part of the Finance Committee bill is on the right track. The amendment makes the bill fairer by eliminating those tax increases that unfairly burden the middle- and low-income persons in this country, who is the hardest hit by the present recession and who is the least able to cope with the inevitable price increases that will be passed on as these excise tax and unemployment tax increases are levied on businesses and individuals.

This amendment will pay for these tax rescissions, essentially, as I said, by deferring the third year of the tax cut. But that deferral will apply only to those upper-income individuals who have already benefited dramatically from last year's tax bill which dropped the top rate from 70 to 50, which I supported. The amount of revenue that this deferral for upper-income individuals would yield is roughly $33 billion. The revenue lost by not going to the tax increase and not making the spending cuts would be $22 billion. So we are left with a cushion of about $11 billion.

That cushion could (A) be applied to reduce the deficit more; or, (B) it could be applied to any number of other provisions in this bill that might indeed be subject to striking moves in the next day or so. The main point to make is that this provision reemphasizes the desire on the part of the Democrats in the Senate for a fair bill.

It challenges all of us in the Senate to carry the intent expressed by the chairman to its logical conclusion and make not just 60 percent of the bill fair but 100 percent of it fair.

Mr. President, that is the nature of the amendment. I reserve the remainder of my time.

Mr. LONG. Mr. President, will the Senator yield at that point for a question?

Mr. BRADLEY. Yes; I would be pleased to yield for a question.

Mr. LONG. Is it correct that what the Senator has in mind is that the 10-percent tax cut due to go into effect in July next year would be deferred only for about 20 or 25 percent of the taxpayers, and those would be the ones who are doing best; that is, the ones who tend to be earning more than their neighbors?

Mr. BRADLEY. The Senator is correct—75 percent of the American taxpayers earn under $40,000. They would not be touched. They would get their full 10-percent cut in July 1983. For the 5 percent, say, in the neighborhood of $40,000 to $46,000, they would get some part of it.

Mr. LONG. Is it fair to say also that included in this group that would not get the additional 10-percent cut in rates next year are those very fortunate souls who have already had their top rate cut from 70 percent down to 50 percent? Those people, bless their hearts, have already had a 30-percent tax cut while the other folks were getting 15 percent and hopefully 25 percent with the cut they get next year? So within the group that would not get the additional cut under the amendment are those who have already had the best of it to begin with?

Mr. BRADLEY. The Senator is correct.

Mr. LONG. Furthermore, if the purpose of the economic stimulus package, the huge tax cut that was passed last year called the Economic Recovery Tax Act, if all these incentives and fast tax writeoffs for equipment and all that type of thing do well and they stimulate the economy, then that same group that would not get the additional rate cut would be those who figure to do the best under last year's bill? In other words, the highly paid people or those who are making $40,000 and above, those tend to be the people who benefit first and benefit most when the economy gets moving; is that not correct?

Mr. BRADLEY. There is no question that if the economy booms and growth is at 5 percent in real terms, the people who will benefit are those who have had the good sense and good fortune to invest in those firms that are doing well, and their investments will be taxed not at 70 percent like they were 2 years ago but at 50 percent. So, yes, they will certainly benefit.

But while we are fighting this deficit, we want to make sure that the burden does not just fall on middle- and low-income people, and that is why we have offered this amendment.

Mr. LONG. If the Senator would yield further, is it not true that those who are doing very well indeed in this country would still share in the benefit of the amendment of the Senator insofar as they would not pay the increase in the telephone tax?

Mr. BRADLEY. They would not pay the increase in cigarette tax, small businessmen——

Mr. LONG. They would still get the benefit of itemizing their medical expenses and they would get the benefit of the present law with regard to casualty losses, so they figure to be among the beneficiaries of the amendment of the Senator to the extent that he deletes some of the tax increase provisions?

Mr. BRADLEY. I would say to the Senator in no way did I mean to imply that only middle-income people have medical costs. Upper-income people have medical costs and casualty losses. Upper-income people hire individuals for their firms and have to pay unemployment taxes. So the savings that we have from this amendment would be shared by upper income as well as middle and lower income—no question.

Mr. LONG. Mr. President, may I say to the distinguished Senator that I discussed the approach of the Senator with a lot of very successful people in the country, and I have yet to hear any of them tell me that they do not think it is a fair proposition, or express any opposition to it. So far as I am able to see, those people who are doing very well indeed are very happy about the maximum 50-percent tax rate, when we brought it from 70 percent down to 50, and they are very pleased about the fact that we got the capital gains tax down to 20 percent for them; they are very pleased about the accelerated depreciation, and all the rest of it. If they can keep the goodies that have been brought to them by the huge tax cut last year, most of those people will be very happy to forgo a further cut in the rates below the 50-percent rate.

Mr. BRADLEY. I think we might have been talking to the same people, because I have heard that same message. In addition, I think they are coming more and more to recognize that if we are going to have economic growth in this country, we have to have everybody on board. And if you are going to fight the deficit, you have to do it in a fair way.

Mr. LONG. I thank the Senator.

Mr. BRADLEY. I reserve the remainder of my time.

The PRESIDING OFFICER (Mr. BOSCHWITZ). Who yields time?

Mr. DOLE addressed the Chair.

The PRESIDING OFFICER. The Senator from Kansas.

Mr. DOLE. Mr. President, I understand the Senator from New Jersey may have some minor modifications in the morning. So there not be any effort to shut that off, I shall not ask for the yeas and nays.

Mr. BRADLEY. That is correct, I would say to the Senator from Kansas.

Mr. DOLE. I understand it is hard to get numbers quickly and determine just how much money may be left. And again I certainly have no quarrel with anyone's effort to try to improve this legislation. It is difficult to raise $100 billion in taxes.

This is a large tax increase if you just look at the numbers, but I think a careful analysis of this bill will clearly show that about $50 billion is tax compliance, another $28 to $30 billion is what the President referred to when he mentioned these things last year as loophole closings, and then there are other areas—user fees and the medicare tax and other things—that I think properly should be paid for by the people who benefit. Therefore, we end up with about 85 percent of this tax bill that I think can be pretty well justified.

The areas that caused us some concern, not because there was not much tax policy, probably were in the areas of cigarette excise tax, maybe the telephone tax. But again, if you examine the telephone tax carefully, the Federal tax is so small and the State and local taxes are quite high that that does not justify the tax, but the telephone tax has been as high as 10 percent. We simply raised it from 1 percent to 2 percent in 1983 to 3 percent in 1984 and 1985 and then back to 1 percent in 1986.

Again, I suggest that we had a lot of ideas on how to raise $100 billion. One was a gasoline tax that we had originally agreed to among the Republicans but the President of the United States indicated his opposition to that tax. He indicated that the price of gas had already increased 10, 15, to 20 cents and he did not think it was a very good idea to ask the American motorists to pay another 5-percent tax increase on gasoline even though we had hoped to suspend the use of that money for 2 years and use it on highway construction. We still believe that that is a good idea, but we understand that the President also has good ideas and so in this case we discussed it and decided that he won. So we removed that from the bill.

Then we had some difficult choices to make. This Senator thought we ought to do something about the interest deductions; there ought to be some limit, there ought to be some cap on how much the employers can write off or deduct on health care and how much you can have that the employee does not have to count as income.

Again, that was rejected, as was the interest deduction, by a majority of the Republicans. Therefore, it did not seem to me that it would have much chance in the committee.

I know that the Senator from Idaho wishes to speak on this amendment.

Mr. President, I am pleased to say that there has been a lot of editorial support for this package, and I ask unanimous consent to have a number of editorials printed in the RECORD.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the Washington Post, July 5, 1982]

SUPPORT THE FINANCE COMMITTEE

Listening to standard administration prose, you could get the idea that the fight for budget control was being waged between a stalwart president and a recalcitrant Congress—Messrs. Reagan and O'Neill in hand-to-hand combat. In fact, neither man has had much to do with the package of budget cuts and tax increases now taking shape in Congress. Instead, the moving force has been a handful of Republican leaders in the Senate who, with only the vague blessing of the White House, are hammering out the details of what to cut from the budget and how to pay for what is left.

In recent days, the action has been directed by Sen. Robert Dole, whose Finance Committee has now voted changes in the tax code that would raise $21 billion in additional taxes next year. Normally, the House Ways and Means Committee would take the lead on a revenue measure, but House Democrats were glad to let Senate Republicans get out in front in the unpleasant business of raising taxes. You haven't seen the administration fighting to get into the act. Treasury staffers have been giving advice to the Finance Committee on technical details and estimates, but the administration has apparently decided to let Sen. Dole test the waters before it decides to jump in behind him.

Exposed to the merciless pressure of the tax loophole lobbies, the Finance Committee nonetheless put together a brave set of tax reform measures. It shied away from some tough decisions—no new tax on energy was voted—and caved in to pressure on others—the low-rate capital gains tax would be extended to assets held for only a few months. But the number of redoubtable lobbies that the committee faced down is remarkable.

Perhaps the most important reform was the committee's decision to reduce the too generous business tax breaks voted last year. When these breaks are fully in effect in 1986, the combined value of investment tax credits and accelerated cost recovery deductions will excuse many companies from tax liability altogether and also provide incentives for companies to make investments that don't make good economic sense. The committee would also curb—and ultimately eliminate—selling of unneeded tax breaks by companies with no taxable profit to other companies wanting to reduce their tax bills.

Other interests nicked by the committee bill include defense contractors, insurance companies, tobacco producers, private aircraft owners and wealthy individuals and corporations that now pay little or no taxes. Tax-subsidized pensions for highly paid corporate executives would be curtailed as would the free and easy use of tax-exempt municipal bonds for commercial purposes. Over the protests of banks, savings institutions and brokerages, the committee even voted to crack down on tax cheats who fail to report billions of dollars in interest and dividends each year.

Whether the Finance Committee's proposals sink or float will depend upon the willingness of President Reagan to give the committee firm and unequivocal support. If that's not forthcoming, you can scratch any real progress toward tax reform from the agenda for the foreseeable future—and add at least $20 billion to your estimate of next year's budget deficit. The Finance Committee has taken large steps toward making the tax code simpler and fairer, but in doing so, it offends strong and vocal interests. The committee needs—and deserves—the full support of the administration, Congress and the public.

[From the New York Times, July 7, 1982]

SURPRISE: REVENUE PLUS REFORM

By the usual rules, it would have been a game of you scratch my lobbyist, I'll scratch yours. But the Republicans on the Senate Finance Committee, led by Chairman Robert Dole, were in no mood for games of any sort last week. Charged with the unpleasant task of raising some $21 billion in revenues to hold down the 1983 budget deficit, the committee did so at the expense of narrow interest preferences in the tax code.

The result is a surprisingly constructive piece of legislation, undoing some of last year's smellier excesses. No one will be pleased by every proposed change. But passing this bill would go a long way toward making the tax laws more equitable.

Congress is committed to raising tax revenues in order to keep the 1983 budget deficit under $100 billion. But four months away from an election and without effective leadership from the White House, few expected the Senate Finance Committee to come up with a bill that would combine revenue increases with tax reform.

Chairman Dole has been talking about tax reform for months. But it wasn't exhortation that carried the Republican majority; it was neatly exploited political reality. The simplest way to raise revenue would be to eliminate the 10 percent income tax cut scheduled for 1983. But the President bitterly opposes that and the Republicans felt obliged to go along. An alternative that would have satisfied the President was a tax on energy. But raising gasoline prices, never easy, is suicidal in an election year.

There was another way: make less visible tax changes that would offend neither the President nor ordinary citizens. It was Chairman Dole's achievement to turn this expedient approach into a fine tax bill. About $8.5 billion of the $21.1 billion would be gained by enforcing existing law. Banks would have to withhold 10 percent of interest and dividend payments. The I.R.S. would get new authority to crack down on service workers; some 80 percent of all tip income is not reported.

The truly brave parts of the bill would curb tax breaks for business. Excessively generous depreciation schedules, part of the 1981 tax reduction package, would be tightened. Benefits from tax preferences like bad-debt reserves and mineral depletion allowances would be scaled back by 15 percent. The maximum tax-deductible pension contribution for executives and incorporated professionals would be cut sharply.

The bill is not perfect. The holding period to qualify for capital gains preference would, for reasons unknown, be reduced to six months. Tightening the terms in so-called "safe-harbor" leasing schemes might cost business a lot more than Government gains in revenue. But these are quibbles. The Senate Finance Committee has done its job. Now it's up to Congress to turn a good bill into law.

[From the New York Times, July 19, 1982]

THE TOUGH PRICE OF TAX REFORM

Senate moderates in both political parties face a difficult choice this week. By voting for the Finance Committee's budget reconciliation measure they would be approving a $17 billion cut in medical and welfare programs over the next three years, some of hich would hurt the poor. But by voting against the bill they would be scuttling a fine tax reform package that would generate $98 billion in revenues during the same period.

On balance, the bill deserves passage. The critical battle for different (or smaller) spending cuts was lost when Congress formally adopted the 1983 budget targets. Dumping the committee's reconciliation bill would not rescue the social programs. But it would almost certainly wreck the chances for constructive tax increases and destroy whatever public confidence remains in Congress's capacity for fiscal management.

Last month's budget resolution directed the Finance Committee to pare about $16 billion from social spending. The committee met the goal, carving $15 billion from Medicare and Medicaid and $2 billion from welfare. Supporters insist that most of the medical savings would come at the expense of affluent patients and physicians. But opponents note, correctly, that the measures would raise out-of-pocket medical costs of the poor as well. And the cuts in the Supplemental Security Income and Dependent Children programs would tempt the states to pare benefits to the truly needy.

Yet the Finance Committee's three-year revenue measure would be a positive and progressive step in reforming the tax code. About $29 billion would be raised by withholding taxes on dividends, interest and restaurant tips, which are areas of notorious evasion. Billions more would be raised from business by tightening the tax rules for depreciation, leasing and executives' pensions. The bill would also specifically limit tax breaks to the life insurance, pharmaceutical, oil and commercial construction industries.

Some senators obviously would like to resolve their dilemma by voting on separate tax and spending measures. Robert Dole, the chairman of the Finance Committee, resists that approach, and for reasons that moderates should appreciate. Since overall support for spending cuts is much stronger than for tax reform, a split vote could easily result in passage of only the spending cuts.

No one knows for sure how the House would react to the failure of tax reform in the Senate. But it is improbable that the Democratic majority there would press for new taxes. The most likely result would be equally unattractive social spending cuts plus higher deficits over the next few years.

This will not be a great year for those who understood the need to reduce future budget deficits yet hoped to put most of the burden on middle- and upper-income Americans. It need not, however, be a disaster—provided Senate moderates take the Finance Committee's tax initiatives and run.

[From the Boston Globe, July 16, 1982]

CLOSING TAX LOOPHOLES

The Senate today takes up debate on the most serious effort in years to close loopholes in the tax structure. It should not allow itself to be swung away by the predict-

able army of special interests. There are also ample opportunities to improve the package that emerged from the Senate Finance Committee.

The drive for closing loopholes, led by Robert Dole (R-Kan.), chairman of the Finance Committee, is fueled by the desire among many in the Senate, and even more in the House, to simplify the tax system while making it more equitable.

Probably more important than at any time in the past, Republicans have come to view loophole closing as a revenue source, a vital question in the face of current and prospective annual deficits on the order of $100 billion. The Dole package, if enacted in its present form, would yield more than $21 billion in the next fiscal year and a total of $98 billion over a three-year period.

The package reduces allowances for depreciation under some circumstances, repeals overly generous leasing regulations, increases the minimum tax for wealthy individuals, introduces withholding taxes for dividends and interest payments, increases airport taxes, increases the cigarette tax, places stronger limits on corporate-paid insurance and pension plans for individuals, tightens up the use of tax-exempt municipal bonding for business development, and raises the unemployment tax.

All of these are desirable improvements. It is less clear that a proposal for increasing the medical deduction to 10 percent from the current 3 percent is equally fair-minded. Millions of Amerians are not covered by any insurance plan and serious illness continues to have a devastating economic impact on households.

Raising this tax while continuing to allow liberal deductions for business entertainment is a distortion of tax equity. The three-martini lunch will still qualify for deduction, while lifesaving surgery may not.

Another failure of the package was omitting an increase in the gasoline tax, which has stood at four cents a gallon since 1959. The nation's highways and bridges are deteriorating constantly and dangerously. An increase in the gasoline tax is the fairest and most effective way of attacking the problem. The Finance Committee evidently struck a deal with the Administration, which foolishly opposes the gas tax increase, to leave it out in return for support of the rest of the package.

Flaws apart, the Dole package has merit because it can get Congress moving toward closing of loopholes too often used by clever persons and corporations simply to dodge taxes rather than to pursue the economic ends for which the benefit was originally designed. If all or most of the package gets through the House and Senate unscathed, the entire nation will gain.

[From the Los Angeles Times, July 9, 1982]

TAXES—A WORK OF ART

Senator Robert Dole (R-Kan.), chairman of the Senate Finance Committee, seldom lost the lead last year in a race to cut federal taxes—a race that overshot the finish line by billions of dollars.

But he also was among the first to admit that Congress went too far, and he has now become the first to do something about it: moving to raise taxes to trim the massive federal deficit.

Against long odds, Dole has pushed through his committee a series of tax increases totaling nearly $100 billion, about one-third of which would come from the clients of some 400 tax and business lobbyists who hovered around the hearings, trying to stare down Dole's heresy.

If Congress meets the targets of its budget committees, the Dole package—combined with cuts in spending—would leave a deficit of $116.4 billion at the end of the next fiscal year. That is a dizzying level of debt, but preferable to the deficit of nearly $200 billion that would exist with neither spending cuts nor tax increases.

The Dole plan would do in bits and pieces what he would have preferred to do in one stroke by canceling a 10 percent cut in personal income taxes scheduled for next year. President Reagan would have no part of that; Dole and his Republican majority did not press it.

The package also originally included a 5-cent-a-gallon increase in gasoline taxes to help pay for a massive and inevitable rebuilding of much of the interstate highway system and for more public transportation. A telephone call from Reagan killed that sensible idea, too.

What remains of the package, however, is largely balanced, reasonable and fair. Most of it deserves to get through the crowd of lobbyists who obviously will try to surround and smother the package on the Senate floor or in the House of Representatives.

For example, the Dole plan would gradually eliminate an odious 1981 tax law that lets unprofitable companies whose tax breaks are of no use to them in effect sell those breaks to profitable firms that use them to cut their own tax bills.

The law would expire in 1985, and its application would be restricted in the meantime.

The package calls for increases in corporate taxes of all kinds of about $7.5 billion in the first year, in part by tightening up depreciation rules that would have meant actual subsidies for many firms in the next few years.

Banks and savings institutions would withhold for tax purposes 10 percent of the interest due on accounts; corporations would withhold like amounts from dividend checks. Other changes would stiffen the enforcement of tax laws on such income as tips in restaurants.

Taxes on cigarettes would be doubled; taxes on airline tickets and telephone calls would go up. Loopholes that allow insurance companies to save about $2.3 billion a year on taxes would get smaller.

Some parts of the package need further study. One proposal would allow deductions for only medical expenses that exceeded 10 percent of gross income; the present formula allows deductions of expenses over 3 percent. The committee has no clear idea of who would be affected by the change and in what ways. The consequences must be known before the proposal goes anywhere.

The bulk of the package, however, is sound—made to seem even more welcome when contrasted with the dismal performance of the rest of Washington's economic policy-makers.

The package hangs, in fact, like a striking new work of art on the wall of a house that is about to fall apart. It is enough to make us wish that Dole were a carpenter rather than an artist.

[From the Sun-Times, Chicago, July 8, 1982]

SOUND FIRST STEP ON TAXES

Good for Sen. Robert Dole (R-Kan.). He's taking the lead—and the heat—on new taxes needed to reduce federal budget deficits.

Neither President Reagan, our national leader, nor Rep. Dan Rostenkowski (D-Ill.), chairman of the tax-writing House Ways and Means Committee, shows much interest in that job so far. No matter. On tax issues, Dole packs a more credible punch than either Reagan or Rostenkowski—at least for now.

Reagan scored a string of tax and budget victories in Congress, of course, but as yet none has helped perk up a wilted economy. And Rostenkowski, you'll recall, wound up trying to outdo Reagan in giving away the store the last time Congress cut taxes.

Dole rightly wants to cut deficits—and the high interest rates they cause. In contrast to Reagan, he wants humane cuts. In contrast to Rostenkowski, he's a solid Republican; his ideas should get more support in a conservative Congress than Democrat Rostenkowski's

We differ with Dole on some points in the $21 billion tax bill passed last week by the Finance Committee, which he heads. Why, for example, load new taxes on phone calls and air travel but not gasoline? As we've often said, higher motor fuel taxes—so overdue—can reduce the deficit and spur conservation.

Still, we bow low to a man with enough guts to broaden the tax base by requiring more people and businesses to pay up.

Reagan pays lip service to some of the ideas, but foolishly has withheld all-out support—no doubt because Dole steps on the toes of some Reagan allies. Dole is right, of course, but he has angered a lot of people.

The tobacco lobby howls at the proposal to double the current 8-cent-a-pack federal excise tax on cigarettes. Some banks, stockbrokers and wealthier individuals cringe at withholding billions in taxes on dividends and interest. True, this will add to bookkeeping costs; but the portion of those taxes that go unreported and unpaid add to the federal deficit—and everyone's economic woes.

Small businesses don't want curbs on tax-exempt revenue bonds that subsidize commercial enterprises. Big ones groan because Dole would slam doors on legal loopholes that let them shelter income. And Dole would slash tax-leasing rules that let General Electric duck taxes on profits of $2.6 billion in 1981.

We hope the House backs a gasoline tax and gets tougher in other areas. Until then, Dole's bill is the best one in sight.

[From the Des Moines Tribune, July 13, 1982]

GOOD TAX BILL

The Senate soon will begin debate on a bill to raise taxes by $21 billion next year and $98 billion over the next three years. Few members of Congress relish the thought of doing this only a few months before they face the voters, but this year Congress has little choice.

Without substantial tax increases and spending reductions, the budget deficit will soar far above $100 billion next year. Tax increases are a must because last year's large tax cuts were a major cause of the prospective deficits. A valid criticism of the bill coming before the Senate is that it may not increase taxes enough to avoid a dangerously high deficit next year.

Of the many ways to raise taxes, this bill features two: closing loopholes and cracking down on tax evaders. Credit for this approach belongs to Senate Finance Committee Chairman Robert Dole of Kansas and other Republicans on the committee.

The committee voted to modify or eliminate some of the excessive tax breaks handed out to business last year. So generous were these that a number of profitable businesses were, for all practical purposes, excused from paying corporate income tax. The most notorious tax break given last year was the provision that allowed some companies to wipe out tax liability by "selling" unused tax losses. The committee voted limits on this procedure.

The Finance Committee did well to act for better enforcement of the tax code—to crack down on cheaters. The reforms it voted included stiffer penalties for tax evasion and the withholding of some tax from most dividends and interest payments.

Like most tax bills, this one is complex, and few could agree with all of its provisions, but, on the whole, it is a good bill that deserves the support of the Senate and the House.

[From the Washington Post, June 25, 1982]

SENATOR DOLE'S GOOD FIGHT

Senate Finance Committee Chairman Robert Dole is leading the good fight to put more fairness into the tax code. The tax bill paid by many people and corporations often depends less on their income than on their tax accountant or lobbyist. Now that the government desperately needs to increase its revenues, Sen. Dole thinks it would be much fairer to eliminate loopholes that let some taxpayers pay little, rather than to increase the burden on those who already pay a lot.

You will not be surprised that the senator is not surrounded by enthusiastic supporters of his reform plans. With elections approaching, congressional resistance to special interests is approaching its biennial low. And it's a good rule that the more outrageous the loophole, the more heavily muscled the lobby that protects it.

Did you expect some restraint on the part of corporate lobbies in return for the enormous benefits they got from last year's tax cut? Corporations are not easily embarrassed. Although many now pay no taxes, their lobbies remain vigorous. Flush defense contractors want to make sure they don't have to pay annual taxes on their realized profits like everyone else. Insurance companies are fighting for their very own $2.3 billion loophole. Big banks, independent oil producers and a host of other little-taxed industries hope to avoid even minimum taxes. Unprofitable companies want to make sure they can still sell their unneeded tax breaks to rich companies desiring to lighten their tax loads.

Many people and businesses have adjusted their dealings to take advantage of tax subsidies, and large abrupt changes could cause a certain amount of economic havoc. That's why it would have been better to use last year's massive tax cuts to persuade people to give up their tax preferences in return for substantially lower rates. Such a trade would serve not only the Treasury but economic efficiency as well. Without the promise of more fast tax relief, Sen. Dole has nothing to offer in return for tax reform—except the appeal of fairness and simplicity in the tax code. That may not win him many votes in corporate board rooms, but there is one strong constituency for tax reform: the general public. This Congress, which has been so brave in its assaults on the poor and powerless, has developed an unsavory reputation for responsiveness to well-heeled interests. If Sen. Dole's start at cleaning up the tax code is derailed by his colleagues in the Senate and House, the public may not soon forget who is to blame.

[From the San Francisco Chronicle, July 18, 1982]

BATTLING THE DEFICIT

In the never-ceasing struggle of politicians to keep their instinct for survival and re-election from being undermined by an uncontrollable impulse to do their duty to the country, one usually has no difficulty in predicting the outcome. Yet in this year of severe political strain for Republicans, bearing as they do responsibility for dealing with the horrendous deficits of a receding economy, we may for once see conscience and selflessness win.

The Republicans control the Senate and, probably beginning tomorrow, the Senate will take up a tax increase bill called for in last June's budget resolution. The budget resolution mandates Congress to raise $98 billion in taxes over the three fiscal years 1983-84-85—$21 billion of that in fiscal 83.

Senator Robert Dole of Kansas, chairman of the Senate Finance Committee, predicts and expects a victory for this measure of fiscal responsibility. It will be remarkable, of course, if it is achieved intact, but the chances have been looking better and better lately. House Ways and Means Committee Democrats have faced up to the necessity of narrowing the $103 billion deficit gap, just as the president and the Senate Republicans have. Word came down from them the other day that the Democrats expect to go along with the proposal for withholding 10 percent of dividends, perhaps the most contested element of Senator Dole's bill. More will be known about the ultimate fate of this and other significant, Reagan-endorsed innovations in tax law when the Ways and Means Committee acts this week to mark up the tax package which it is taking over from the Senate tax-writers.

Dole emphasizes that his bill preserves without change the individual rate cuts and indexing that were enacted last year. In other words, there will be no postponement of the third-year, 10 percent individual income tax cut. Dole says that his package is largely designed to get greater compliance from noncomplying taxpayers. It's estimated that by strengthening IRS enforcement manpower, $17.5 billion now underreported will be collected over three years. Imposing tax-withholding on stock dividends and interest payments will draw in $11.6 billion which now goes unreported by taxpayers, despite the obligatory filing of Form 1099.

The net three year gain to the Treasury from enforcing compliance where that is now being neglected or evaded is estimated to be $29 billion, or 30 percent of the Dole bill's total yield. It's only right, the senator says, to make the utmost effort to collect substantial revenues from those not paying what they owe, and who can disagree with that?

Nor will it prove unpopular to abolish a loophole that has enabled the defense industry to avoid taxes. The Finance Committee is changing accounting methods to gain the Treasury an estimated $5.2 billion in taxes from this source alone over three years.

"Safe harbor" leasing is another loophole that is being party closed now and will be repealed in 1985. This is the allowance in the 1981 tax law whereby profitable companies are permitted to buy unused tax breaks from unprofitable ones to offset against their tax. That will pick up $7.7 billion in three years. Another salutary tightening of escape routes will come from cutting back on pension plans that enable wealthy doctors, lawyers and other professional corporations to put away tax-free up to $165,000 a year.

The Dole Committee contends that only a few provisions in the bill, accounting for less than 15 percent of the total revenue gain to the Treasury, will affect the average taxpayer. "Unfortunately," the committee adds, "these provisions," to increase cigarette and telephone taxes and restrict medical expense and casualty-loss deductions, have gotten press attention far out of proportion to their share of the revenue increase."

Well, we're part of the press, but we don't happen to bridle at increasing the tax on a $20 phone bill by 40 cents, or the cigarette tax by 8 cents a pack. The important thing for the country and the economy is to close some of the deficit gap as fast as possible. Good for the Senate Finance Committee for showing Congress the way.

[From the Denver Post, July 11, 1982]

SLICING UP THE HOGS

When U.S. Budget Director David Stockman was assessing last year's federal tax cuts, he confessed his chagrin that a good idea was carried too far. The good idea was that selective and sensible tax cuts could spur economic recovery under Ronald Reagan just as they did under John F. Kennedy. High-powered lobbyists, however, distorted the bill so shamelessly that many of their clients won outrageous privileges at the expense of the rest of us.

"The hogs were really feeding," Stockman recalled ruefully. But the budget director—and the vast majority of American taxpayers—can feel a little better now. If the Senate Finance Committee has its way, the hogs are going to be sliced up a bit.

The committee approved a tax reform bill earlier this month. It now is headed for the Senate floor. As a key staff member, Bob Lighthizer noted, "The hogs won't be slaughtered, but the committee trimmed a little bacon off their flanks."

The bacon will total $98.3 billion in federal revenue over the next three years—a critical step if the burgeoning federal deficit is to be controlled and interest rates lowered. But the 10 percent personal income tax cut which went into effect this month, and the follow-on 10-percent cut scheduled for next year, were left intact.

Thus, the parts of the tax package most vital to citizens and the economy were retained. The revenue gains will come mainly at the expense of those who haven't been paying their share.

Alas, the most infamous miscarriage of economics in last year's package, the "safe harbor leasing law," was not repealed outright as sought by Sen. Robert Dole, R-Kansas. But it was reformed so it can't be used to dodge more than half of any year's taxes. Some profitable firms have used it to escape federal levies entirely. Multinationals were told that a company that already used foreign-tax credits couldn't sell unused U.S. tax benefits, as Occidental Petroleum did in a highly publicized "double-dipping" foray. Finally, the entire dodge is supposed to be phased out entirely by 1985.

Wealthy professionals, who have used loopholes to shelter from taxes as much as $167,000 annually in pension contributions, were trimmed back. Don't cry for them; they can still shelter $59,400 a year.

Other useful reforms included modification of depreciation laws, a corporate minimum tax, a rise in cigarette taxes, and a speedup of corporate tax collections.

The minimum tax laws were also tightened for wealthy individuals. Banks and other financial institutions would be required to withhold 10 percent of interest and dividend payments, though low-income and elderly taxpayers could be excluded. That would plug a popular channel for tax evaders.

The tax plan is far from perfect. But it is a firm step on the road to solvency and a sign that Congress is willing to stop groveling before special interests. Now, the test is whether the Senate as a whole will show the same responsibility that the finance panel did. If it does, the bill will have to face a hostile House of Representatives that has been even more eager to "feed the hogs" in an election year.

Colorado Sen. Bill Armstrong sits on the finance panel, and he won special praise from many observers for his intestinal fortitude during the tax debate. The public should demand other congressmen show similar fiscal responsibility until the fight is won.

[From the Atlanta Journal, July 12, 1982]

CLOSING THE LOOPHOLE

A well-publicized loophole that allowed profitable companies to avoid taxes altogether—and in so doing to bring the nation's tax code into disrepute—is being closed a little. We hope.

The Senate Finance Committee has proposed that rules on the so-called "safe-harbor leasing" provisions of last year's tax bill be tightened to cut down on abuse. The new rules, which probably will be supported by the House, should raise $7.7 billion in new taxes over three years.

Last year's bill was designed so that unprofitable companies could sell tax benefits from spending on new equipment to companies that were profitable. In so doing, the unprofitable companies could invest more in expansion or new equipment—thus paving the way for a return to profitability.

Alas, however, there were unintended beneficiaries. March & McLennan, an insurance firm, acquired $95 million in tax benefits from Occidental Petroleum Corp., both profitable firms. Because of other tax breaks, Occidental had extra "losses" to sell. Such exchanges between profitable firms were common.

Publicity about them had created pressure on Congress to act. The Finance Committee has. Rather than eliminate them altogether, new provisions limit to 50 percent the amount of tax liability that can be offset through purchases of tax breaks. And, leasing can't be used to offset losses from previous years.

While the loophole is retained for now, the committee would repeal it after Sept. 30, 1985.

While the revenue that will be generated from these changes is important, it is equally important for Congress to send the American people a message that it is serious about closing loopholes, even new ones.

Therefore, these restrictions are essential. We urge the Senate to approve them and for the House to retain them.

[From the Atlanta Journal, July 6, 1982]

RIGHT TAXES TO BOOST

The Senate Finance Committee is on the right track with one aspect of the tax increases it is proposing to close the federal deficit gap—the emphasis on consumption taxes.

We believe the personal income tax cuts pushed by President Reagan should not be rescinded, and that federal spending should be held down. But to the extent taxes must be raised to reduce the federal deficit, we think taxes on consumer spending are the best way to go.

The Reagan tax cuts were designed to increase the incentive for saving and investing. This country needs both to attain economic recovery without inflation. To tax spending on items where people have some discretion over how much they will spend does not discourage saving or investing.

To the extent that spending on these items occurs anyway, the additional revenue from the taxes will cut the government's need to borrow and thus will ease the pressure on interest rates. And to the extent that spending on these items is discouraged, saving and investing are in fact further encouraged.

The proposed increase in cigarette taxes is a good example of this approach. The increases in excise taxes on telephone service and air travel also are acceptable, although consumers have somewhat less discretion in spending in these areas.

We do not understand why the committee failed to include a modest increase in the excise tax on alcoholic beverages as long as it was thinking in these terms. It is an expenditure over which most people have some control, and the proportion of the value of the product which is taxed today is much less than it was a generation ago. We suggest that if some of the committee's other recommendations are turned down, they should come back to this subject.

Certainly the alcoholic beverage tax increase would be more just than the committees' proposal to cut down on deductions for medical expenses. One does not exactly choose to get sick and spend money on medical bills; we don't see how tightening up on medical deductions fits in with the tightening up on discretionary expenditures.

The proposed increases in taxes on business amount to a grab-bag of ideas which need to be treated in another editorial. But as far as individuals are concerned, the shift to taxing consumption more and production less makes a lot of sense, and to the extent that taxes must be raised then excise taxes are the ones to raise.

[From the Atlanta Journal, July 15, 1982]

CURB BOND ABUSES

We have watched with dismay in recent years as state and local governments expanded uses of tax-free bond financing far beyond its original purpose.

To start with, private-sector companies were allowed tax-free financing as an incentive either to create new jobs or to create them in a particular area where they were needed.

Initially, too, they were available only for manufacturers who were creating factory jobs.

Because of irresponsible expansion by the General Assembly of the kinds of projects deemed to deserve a taxpayer subsidy, virtually any kind of business now can demand that taxpayers share its financing costs.

Congress, as we had urged, is about to do something about that. The Senate Finance Committee has approved a measure which would tighten current laws on use of tax-exempt revenue bonds for industrial development, housing, businesses and other purposes.

If the measure passes, tax-free bonds couldn't be issued unless approved by local governments after public hearings. And depreciation schedules would be changed to make them less attractive. In addition, the small-issue industrial development bonds would be terminated after 1985.

The closing of these loopholes would generate about $1.2 billion in new revenue over the next three years.

We welcome them. Tax-free financing of private-sector projects has become so commonplace that these bonds have lost a public purpose. Now they are used as a matter of routine to finance everything from parking lots to hamburger stands. They amount to a taxpayer subsidy for which the taxpayers get little or nothing.

The controls the Senate Finance Committee has accepted are an absolute minimum—and we urge Georgia's congressional delegation to support them.

THE WHITE HOUSE,
Washington, July 17, 1982.

Hon. ROBERT DOLE,
U.S. Senate,
Washington, D.C.

DEAR BOB: As the Senate begins its consideration of the tax bill, I wish to emphasize my personal support for the bill produced by the Senate Finance Committee.

In my opinion, adoption of this bill will lead us on a downward path of deficit reduction, improve the fairness of the tax system, and maintain the integrity of my economic recovery program. Rather than raising taxes across-the-board, the bill focuses on improvements in taxpayer compliance, the removal of obsolete incentives, and the elimination of unintended abuses. In fact, more than three-fourths of the increased revenues will come from increased compliance and base broadening measures.

I am particularly pleased the bill preserves the individual rate reductions enacted last year. These provisions are essential to ease the burden on individual taxpayers and to restore long-term health and vitality to our economy.

Although I do have some reservations about a few items, it is a good and balanced bill which I can endorse. I know you are aware of my views but I hope you will assure your colleagues of my support for the bill.

Sincerely,

RON.

BOB DOLE'S TAX EQUITY PACKAGE IS FISCALLY FIT, POLITICALLY SOUND

(By James J. Kilpatrick)

WASHINGTON.—Politics sometimes works in curious ways, but wonders do perform. On Capitol Hill these days, we seem to be moving along by a process of reluctant willingness or willing reluctance—take your choice.

On the House side, where all bills for raising revenue theoretically must originate, the dominant Democrats understandably are reluctant to be identified as the party engaged in raising taxes. On the Senate side, the reigning Republicans are equally unwilling to be known as the party that did nothing about our mountainous deficits.

Thus, we find the Senate debating a tax bill that is not a tax bill: It is a little old amendment to a little old House bill having to do with nothing much at all.

Parliamentary procedure to one side, what the Senate is debating is in fact a tax bill—a walloping tax bill, intended to raise nearly

$100 billion in new revenues over the next three years. Sen. Bob Dole of Kansas calls his package the Tax Equity and Fiscal Responsibility Act of 1982, and the title is fairly apt. We will hear hours of talking over particulars, but the package is both fiscally and politically sound.

These are the risk elements:

Mr. Dole would raise $20 billion over three years by a combination of measures intended to collect substantial sums "from those who are not paying what they already owe under existing law." At the very idea of withholding 30 percent from interest and dividends, bankers and fund managers are complaining and fatcats are howling, but it makes sense to those whose salaries and wages are subject to withholding.

Another large chunk of revenue, amounting to $30.8 billion over the three years, would come from rewriting existing law having to do with oil and gas companies, like insurance companies, large contractors and other big industries. Existing laws are the very staff of life to accountants and tax consultants; they are mysteries to most of the rest of us. I have some reservations about the changes proposed for contractors, who may never know until a big job is completed whether they have earned a profit, but small contractors would be exempt and the package looks reasonable.

Mr. Dole also would impose sharp limitations on the regrettable system approved just a year ago, known as "safe harbor leasing." This is a gimmick by which corporations may trade tax advantages. The misguided device resulted in outright chicanery, or in something close to outright chicanery. The law cries out for immediate modification and for repeal at the end of the three-year period.

Smaller sums would come from 25 to 30 other sources. Roughly 700,000 lawyers, doctors, dentists, journalists and other professionals have incorporated themselves, the better to shelter up to $136,000 in personal income every year by shunting this income to a pension fund. The maximum would be cut back to $90,000.

Mr. Dole would double the tax on cigarettes to 16 cents a pack. He would impose modest fees on persons using the federally subsidized airways. He would increase the wage base on which unemployment taxes are paid. He would raise the telephone excise tax from 1 percent to 2 percent in 1983 and to 3 percent in 1984.

An objection is heard that for some families, the combined increases would just about wipe out the benefit of President Reagan's famed 10 percent income tax cut. In some cases, yes,—but the reductions in income tax will benefit virtually everyone, while most of Mr. Dole's package would have its greatest impact on the well-to-do. Politically that prospect has great appeal.

Some of the technical changes in the bill are over my head, but all of us can understand the equity in collecting from those who ought to be paying substantial taxes but aren't. The enormous deficits in prospect for the next decade can't be cured by cutting spending alone. We must have new revenues, and we have to go after them now.

Mr. DOLE. Mr. President, I hope that after the vote on the package offered by the distinguished Senator from New Jersey, we can move quickly through some of the other sections that may bother certain Senators. It seems to me that once this amendment is disposed, if it carries, I know we are finished. I mean that it will not take long to wrap this up. But if it does not carry, I think it is an indication that we are making pretty good progress and that everybody is serious about trying to do what we should do.

We have had good news in the prime rate areas. We have had good news in the discount rate area. It seems to me that this may be a good test of our ability and will to do something.

As I understand the Senator's amendment, someone under $40,000 gets his or her entire third year; someone over $46,000 loses his or her entire third year. The ones over $46,000 may not have received any benefit from the 70 percent to 50 percent drop which most of us, I think, supported last year.

It seems to me that the marginal rates would have to be increased dramatically, and that would be in the opposite direction.

Although I know that the amendment is attractive because it does address the excise tax on cigarettes and some of the other areas and some of the spending side, again I just say quickly, on the spending side, that the Senate Finance Committee reached and exceeded the targets set forth in the budget resolution on the spending side, in the view of this Senator, without a great deal of anguish on the part of any one Senator.

We did make cuts in medicare and medicaid. We did change the way we reimbursed pathologists and radiologists. We did change certain areas of hospital charges and tried to contain the cost of hospital care.

But here, again, the Senator from Kansas does not believe there has been any groundswell of opposition to anything that was done on the spending side in our committee. I know of no organized effort by any lobbying group to suggest that somehow we were unfair, that somehow we adversely impacted on low-income Americans. Again, I believe that every provision we addressed can be justified.

So I hope that when we start the debate again tomorrow morning, we can focus on the precise numbers of the Senator's amendment and any other changes that might be addressed.

I will discuss with Senator BAKER how we are going to treat the amendment, whether it will be an up-and-down vote, even though it is not germane, or whether the Senator from New Jersey might appeal the ruling.

So I am pleased that we are now back on the tax bill. We have been working on Commerce Committee material most of the afternoon, and now we are back on Finance Committee responsibilities.

After this amendment is disposed of, I understand that the Senator from Montana (Mr. BAUCUS) will have some motions to make in some of the spending areas, and then there may be other amendments from either side at that time.

I am happy at this time to yield to the Senator from Iowa.

Mr. GRASSLEY. I thank the Senator from Kansas for yielding.

Mr. President, after working in the Senate Finance Committee long hours, first in a Republican caucus and then a 17-hour session to put together this package, one would expect me to be opposed—and I am willing to say that I am opposed—to the suggestion put forth by the distinguished Senator from New Jersey.

I am flattered that the Senator from New Jersey says he agrees with 60 percent or 70 percent of the contents of this legislation. In a package containing $98.6 billion in increased taxes and $18 billion in reduced expenditures, for a total package of $116 billion, I think he is quite complimentary to us when he finds only $22.8 billion to which he objects.

This bill was reported out of committee on a party line vote of 11 Republicans and 9 Democrats. For a major Member of the opposition party to come forth with only $22.8 billion in changes is quite a compliment to the work of us on the majority side.

For a long time, we have all listened to Members of this body, particularly Members of the opposition, say that we should eliminate loopholes available to wealthy individuals and corporations. This major amendment of our opposition does not address those issues. I think we have focused on issues which need to be addressed. We are accomplishing in this bill many goals that people in this body have long felt should be accomplished. This amendment does not improve the bill in that respect.

I do not understand why we have some of the very people who were so anxious last time to reduce the maximum tax from 70 percent to 50 percent all of a sudden finding a need to climatic tax reductions for those people earning over $46,000. I do not know whether they understand the injustice they are working on those taxpayers earning between $40,000 and $46,000. It seems to me that there is a tremendous increase in marginal tax rates for the selected few earning between $40,000 and $46,000 to raise the money to finance the other changes in their amendment.

I know that the Senator from New Jersey feels the need to tailor his amendment to bring in the revenue, to offset the faults he finds with other tax increases or expenditure reductions, but I think that in the process of his doing that, he obviously is going to treat a small percentage of the taxpayers in certain tax brackets unfairly. He may want to look and see whether or not that is totally justified.

Perhaps there is some way he can tailor his amendment so that it does not have the drastic effect on certain tax brackets that it currently does.

In the final analysis, the overwhelming part of this bill zeroes in on those things the Senator from New Jersey has said in the past have been wrong. I think that, in the final analysis, if what we have put together here is 60 percent or 70 percent correct we have accomplished a great deal.

We are never always going to get legislation that includes provisions perfectly acceptable to all of us. As sincere as the Senator might be in suggesting $22.8 billion of changes, it seems to me as if such a change is really small potatoes compared to the amount of revenue we dealt with here in the total package.

To that extent, I do not find sufficient enticement to agree with the amendment. I find it upsetting the compromises that were worked out as each of these issues were addressed by the Finance Committee and now in the full Senate.

I yield.

Mr. DOLE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. On whose time?

Mr. DOLE. Equally divided on the bill.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. STEVENS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

STATEMENTS ON SEC. 316 RELATING TO "TIPPED EMPLOYEES"

Mr. CANNON. Mr. President, I rise in opposition to section 316 of this bill, the Tax Equity and Fiscal Responsibility Act of 1982. This provision imposes additional reporting requirements on the income of "tipped employees," particularly as they relate to credit card tips.

Mr. President, in April of this year, when I first learned of the committee's plans to require additional reporting on tips, I, along with my colleague, Senator LAXALT, contacted Senator DOLE and Senator LONG to express our opposition to the adoption of this measure. Of course, the provision in the committee's original plan, embodied in S. 2198, the Taxpayer Compliance Improvement Act, is different than that included in H.R. 4961. Nevertheless, I must also object to the reporting provision in the pending legislation. This section would require large food and beverage establishments to report the charged tip income of its employees.

Mr. President, this provision is costly, impractical, and burdensome. It will result in an enormous paperwork and financial burden on hotel, motel, and restaurant employers, as well as the thousands of employees who work in the food and beverage industries. This proposal also changes the current reporting practice where a tipped employee reports his/her tip income to the employer.

Under this bill, the employer is required to comply with five standards:

First, the employer must allocate on a W-2 form an amount equal to 7 percent of the establishment's gross receipts to tipped employees for reporting purposes;

Second, the employer would also be required to report his/her gross receipts to the IRS;

Third, the employer would be required to report gross receipts from charge transactions to the IRS;

Fourth, employers would be required to report the aggregate amount of charged tips to the IRS.

Now, first, Mr. President, there is no sound evidence of the need for additional tip reporting. The Finance Committee states that 84 percent of taxes on income from tips went unpaid in 1981. However, this estimate is based only on so-called preliminary data, and there appears to be no specific study to justify this statistic.

Second, the committee has singled out this group of workers as one of this country's worst tax avoiders. Indeed, the committee has put food and beverage workers in a class with earners of illegal income, as far as tax compliance is concerned. Yet, Mr. President, let us look at who these people are. What kind of wage earners are these people who are the subject of such focus by the committee bill. According to the Bureau of Labor Statistics, there were about 1.2 million tipped employees in the food and beverage industries in 1979. More than 50 percent of these workers were women, and only 10 percent of these workers were paid more than the minimum wage. The other 90 percent of these workers received as little as $1.60 per hour. That amounts to only $64 per week, Mr. President. Under the Fair Labor Standards Act, these workers' employers were permitted to take up to $1.30 per hour as a "tip credit" toward the $2.90 minimum wage that was in effect then. Yet, in order to earn the Bureau of Labor Statistics' lower living budget for a family of four, each of these workers would have to have collected an additional $168 per week in tips, more than 2½ times the wages paid them by their employers. I think we can agree, Mr. President, that these people are hardly the superrich, taxpayers.

Third, Mr. President, I want to go back to an earlier statement I made. How many times have the Members of this body heard about promises to cut down on unnecessary and overburdensome paperwork of the Federal Government which is borne by this Nation's businesses? I think that many of my colleagues would agree that one of the most common complaints they receive from business people in their State is the fact that the Federal Government simply "paperwork them to death." Yet, what do we see in this measure, Mr. President, more and more paperwork and recordkeeping.

Under this bill, each establishment having more than 10 employees must report its gross receipts and its credit card charge receipts for all but carryout sales. Not only is this information already available to the IRS, but it just imposes another recordkeeping and paperwork burden on employers. Employers are expected to collect, segregate, and report all of these separate pieces of information in order to comply with these requirements. Also, keep in mind, Mr. President, that these requirements are in addition to the existing IRS rules mandating that tip information supplied by employees be reported and taxes withheld on the total of wage and tip income. Employers will also continue to be required to keep detailed records under the Fair Labor Standards Act to assure they are in compliance with the minimum wage and tip credit laws.

In sum, Mr. President, this provision is unworkable, disrupts the traditional employer/employee relationship, adds to the burdens of paperwork and recordkeeping, and is unfair to both the employers and employees in the food and beverage industries. I am unalterably opposed to its adoption.

Mr. INOUYE. Mr. President, I urge the Senate to reject section 316 of the Finance Committee's version of H.R. 4961. That section proposes to impose additional reporting requirements on the income of "tipped employees."

There is no demonstrated need for the onerous burden it would put on effected employers and employees;

It singles out and discriminates against a particular class without any reasonable basis for doing so;

It will create an administrative nightmare which can only lead to uneven and therefore unjust administration;

At a time when our economy is in very perilous condition, it will adversely impact the tourism industry which contributes about $200 billion annually; employs over 6 million men, women and teenagers; and provides billions in Federal, State, and local taxes.

As justification for these unfair and disastrous burdens, the committee would have us believe that "84 percent of the taxes on tip income is not paid." And that these provisions will allow the Treasury to recover on an average over $1 billion annually in additional taxes over the next 5 years.

Mr. President, this brings to mind that wonderful children's fairy tale—"Alice Through the Looking Glass."

Members may recall that Alice protested to the Queen that "one can't believe impossible things."

Whereupon the Queen replied, "I daresay you haven't had much practice. Why sometimes I've believed as many as six impossible things before breakfast."

Here, Mr. President, we are only asked to suspend credulity with respect to two matters, and believe that:

The men and women who work in the food and beverage industry are, next to criminals, the worst tax cheats in the Nation;

Enactment of this provision will bring on an average over $1 billion a year in added revenues to the Government.

First, there is no credible evidence that 84 percent of the taxes on tip income is not paid.

The committee report bases this "fact" on estimates by the IRS and the Bureau of Economic Anaylsis (BEA).

I was intrigued by this high percentage because if these statistics are accurate, there are substantially more tax evaders in this country than are generally believed; and I think we might legitimately ask if the IRS is vigorously enforcing the Tax Code in this area.

So, I had my staff check into just how the IRS and BEA came up with their figures.

These statistics were first used before the Finance Committee Subcommittee on Oversight in testimony on S. 2198, the Taxpayers Compliance Improvement Act of 1982 by Commissioner Roscoe Egger of the IRS, on March 22, 1982. At that time, Commissioner Egger claimed the unreported tip income amounted to $8.6 billion, with a resulting revenue loss of $2.5 billion.

Although the IRS and the BEA have a deservedly high reputation for accuracy and analytical competence, I believe that I must point out to my colleagues that these statistics, which were presented as fact, are in actuality, part estimates, audit data, extrapolations, and projections undergirded by assumptions and hypotheses.

There is no IRS or BEA study of tips. It is true that the IRS is studying the so-called "underground economy," which includes unreported tipping, but there has been no published report on this narrow issue.

Rather than focus on this subject of lost tip revenue, which the committee and IRS claim to be a serious abuse, the IRS actually developed its estimates by disaggregating BEA studies on national income and input-output.

In short, the IRS used a highly convoluted methodology with questionable assumptions and involving numerous intermediate steps to develop the figures Commissioners Egger released in his March 22 testimony. The IRS itself concedes that its statistics are only estimates.

Second, there is no reasonable basis for singling out employees of food and beverage establishments as the only class of tipped employees to be burdened.

We must, I believe, totally reject the 84 percent noncompliance statistics for lack of supporting data. Even if we were to assume that the rate of noncompliance among tipped employees was high enough to warrant additional reporting requirements, however, what is the rationale for saying that the noncompliance rate is only serious among employees of food and beverage establishments. Certainly the committee report gives none. How do we distinguish them from the countless others who also receive tipped income. To mention just a few:

Doormen, hairdressers, barbers, shoeshine boys, chambermaids, parking valents, red caps, sky caps, golf caddies, taxi drivers, postmen, newspaper deliverers, garbage collectors, bellhops, and delivery personnel.

Third, this provision attempts to raise revenue at the expense of low and middle income workers

According to the Bureau of Labor Statistics—the principal Federal agency which collects accurate wage and tip data—approximately 1.2 million tipped employees worked in the food and beverage industry in 1979. More than 50 percent of these workers are women. But only 10 percent of these workers were paid more than the minimum wage. The other 90 percent received as little as $1.60 per hour ($64 per week) since under the Fair Labor Standards Act their employers were permitted to take up to $1.30 per hour ($52 per week) as a "tip credit" toward the $2.90 minimum wage then in effect. Yet, in order to earn the BLS lower living budget for a family of four, each of these workers would have to have collected an additional $168 per week in tips—more than 2½ times the wages paid them by their employers. It is these individuals who the bill has singled out as some of America's worse "tax cheaters"!

Fourth, projections of billions of additional dollars in revenues to be recovered from employees of food and beverage establishments, are completely unrealistic in view of the annual income of those employees.

A 1978 BLS study on hotel and motel food and beverage workers in the 24 largest metropolitan areas showed that restaurant waiters and waitresses averaged a mere $4.49 per hour in wages and tips combined. Bartenders' average wage and tip earnings were slightly higher at $5.46 per hour. And in these large business and tourist centers, tips for waiters, waitresses and bartenders accounted for only about 50 to 60 percent of each worker's total hourly earnings. In New York City waiters and waitresses had combined wage and tip earnings of $4.49 per hour; in New Orleans they earned $4.41 per hour; and in Chicago they earned a grand total of $2.89 per hour—$5,500 less than a low-budget family needed to live that year.

Fifth, the allocation and reporting provisions are complex and potentially chaotic. They will be difficult to administer in an even-handed way. Especially in the area of income tax, it is essential the law not only in fact be applied fairly, it must have the appearance of being fairly administered.

There is simply no fair and uncomplicated method by which even to roughly allocate each employee's presumptive share of tips. Such allocations would have to be made between table waiters and waitresses, counter waiters and waitresses, waiter and waitress assistants, cocktail waiters and waitresses, public bartenders, service bartenders, busboys, hosts and hostesses, maitre d's, and the numerous other classifications of service workers employed in a food and beverage establishment. Further, this provision does not take into account already existing arrangements for tip sharing and tip pooling. The common practice of dual jobs, that is, where an employee holds one hourly rate job and one tipped in the same establishment, or how to treat the tens of thousands of part-time employees in the hotel and restaurant industry.

Employers will drown in a sea of additional paperwork as they attempt to collect, segregate, and report each discrete and complex piece of data necessary to comply with the requirements for every food and beverage establishment and each of their 1.2 million tipped employees. These requirements will be in addition to the existing IRS regulations mandating that tip information supplied by employees be reported and taxes withheld on the total of wage and tip income. And, employers will also be required to continue to keep substantial detailed records under the Fair Labor Standards Act to assure they are in compliance with the minimum wage and tip credit provisions of that law.

Sixth, the provisions conflict with other provisions of existing law. As a result, the productivity and efficiency of the Nation's third largest industry—tourism—will be adversely affected.

The national tourism policy which was enacted in this Congress expressly mandated the Government to remove and prevent inconsistencies in Federal laws affecting the tourism industry.

Under the tax bill a "tipped employee" is defined as any person who received $20 per month in tips. This definition is different than under the Fair

Labor Standards Act which defines such employee as one who regularly and customarily receives monthly tips in excess of $30. Substantial confusion could result as to who is a "tipped employee" for purposes of FLSA and IRS enforcement.

The tax bill requires that the allocation of the 7 percent of gross receipts be made either pursuant to an agreement between the employer and employees or, failing that, by unilateral decision of the employer. In the numerous establishments where there are collective bargaining agreements these negotiations could cause a reopening of the contract and substantial disruptions in labor relations. Further, if no agreement was reached between the union and management, an employer-imposed allocation would likely result in strikes and extensive Federal and State litigation for breach of contract.

Even in the absence of a collective bargaining agreement, an employer-imposed tip income allocation system would result in numerous employee disputes with both the employer and the IRS about whether the allocated amount of tips was actually received. These disagreements would certainly have a severe impact on smooth employer-employee relations in nonunion food and beverage establishments.

Mr. President, the existing provisions of the Internal Revenue Code and the Fair Labor Standards Act already provide adequate safeguards to assure that both employers and workers in the food and beverage industry account for tip income. Additional recordkeeping and reporting requirements are unnecessary, put an unfair and expensive burden on employers, create additional strains between labor and management, and undermine workers' confidence in their elected government. To the extent that there may be some few who do not fully meet their tax obligations, the IRS already has adequate tools to bring them into compliance with the law.

I therefore urge the Senate to strike this provision from the bill.

REMARKS OF DR. ROBERT HIERONIMUS AT BICENTENNIAL CELEBRATION OF THE GREAT SEAL OF THE UNITED STATES

Mr. MATHIAS. Mr. President, the recent celebrations of the bicentennial of the Great Seal of the United States have focused renewed attention on the significance of the seal's components. It is an appropriate time, therefore, to take a moment to familiarize ourselves with the official symbol of our Nation so that it can serve as a constant reminder of the principles for which it, and this Nation, stand.

For 200 years, the seal's design has symbolized our sovereignty, validated our official documents and decorated our dollars. The seal is a daily and familiar sight to Americans, yet most of us have only a hazy understanding of the meaning of its symbols.

Dr. Robert Hieronimus of Baltimore, Md., whose doctoral research on the meaning and history of the Great Seal is widely acclaimed, contributed to our understanding through his participation in an observance held at Independence Hall in Philadelphia on June 20, the 200th anniversary of the adoption of the seal by Congress.

I ask unanimous consent that the text of Dr. Hieronimus' remarks be printed in the RECORD.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

THE BICENTENNIAL OF THE GREAT SEAL OF THE UNITED STATES

(A speech made by Dr. Robert R. Hieronimus of Md. on June 20, 1982 at Independence Hall in Philadelphia, Pa. on the occasion of the Great Seal's bicentennial)

Two-hundred years ago today, as you may already know, was a very important day not only at Independence Hall, but for the entire nation. As Philadelphia celebrates its tricentennial America celebrates its Great Seal's bicentennial.

On July 4, 1776, Benjamin Franklin, Thomas Jefferson, and John Adams were assigned the task of designing our Country's Great Seal, whose purpose to this day validates the President's signature and signifies the United States Government. Officially our Great Seal has two sides.

We are most familiar with the Seal's Obverse, or front. It bears an eagle with shield holding thirteen arrows and an olive branch. The Reverse, known primarily from its appearance on the back of the one-dollar bill since 1935, is composed of an unfinished pyramid with an eye in a triangle suspended above it.

The combination of these two images represents what our founding fathers believed to be America's identity, purpose, and destiny.

Let's get back to July 4, 1776, the day of America's independence and the beginning of our nation's Great Seal.

Both Jefferson and Franklin suggested similar biblical themes—the Israelites escaping Pharaoh. John Adams turned to a Greek mythological motif. Much to Franklin's dismay, none of their ideas was adopted. Du Simitière, an artist enlisted by the first committee, is credited with introducing the shield, *E Pluribus Unum*, 1776 (found in Roman numerals on the pyramid's base. and the eye of providence in a triangle.

In 1780, four years later, a second committee was formed. Francis Hopkinson, a native Philadelphian, who designed the first American flag, contributed the red and white stripes within a blue background for the shield, a radiant constellation of thirteen stars, the bundle of arrows, and an olive branch held in the eagle's talons. Perhaps Hopkinson's most significant contribution was made indirectly through his use of an unfinished pyramid on a 1778 fifty-dollar colonial note, which was utilized by William Barton in the third committee of 1782.

Barton was enlisted by the Secretary of Congress, Charles Thomson, for the third and final committee. Barton, an artist and native Philadelphian, suggested an eagle, the unfinished pyramid, and thirteen red and white stripes on the shield. All of his ideas were accepted. Thomson substituted an American bald eagle for Barton's European species and added the two mottoes to the Seal's Reverse—*Annuit Coeptis*, which means "God prospers our undertakings," and *Novus Ordo Seclorum*, "The New Order of the Ages."

On June 20, 1782, after six years of deliberation, the design for America's Great Seal was approved by Congress.

Here we are two hundred years later! You may be asking, "What's so important about America's Great Seal?" Well, bear with me for just a moment more of history.

On Sept. 16, 1782, George Washington used the Obverse Seal on documents negotiating the exchange, subsistence and better treatment of prisoners of war. Perhaps due to expediency, a die for the Reverse was not cut.

In 1825, 1841, 1877, 1885, and 1903 dies were cut for the Obverse of the Great Seal, but the Reverse, with the pyramid and the eye in the triangle, was repeatedly neglected! To this day only half of the United States' Great Seal has been used in its official capacity as defined by the Continental Congress in 1782. Is there some important meaning in this fact?

The Obverse Seal depicts a nation capable of continual rebirth—the eagle is symbolically related to the phoenix. We are strong courageous defenders of justice (arrows), generous and humanistic (olive branch). The cluster of stars above the eagle (which was referred to as a "Crown of Glory") symbolizes the spiritual unity of all, or common purpose of the states. America's destiny is to maintain the principles carried in the eagle's beak. *E Pluribus Unum*—"Out of Many, One." The Obverse Seal thus represents our outer image—what we stand for in the world.

It is the Reverse side of the Great Seal which delineates the significance and values of America's inner strength and accord. The pyramid is symbolic for the strength and duration of matter, the physical nation. Suspended above it is the "All Seeing Eye of Providence" representing inner direction or spiritual guidance. The radiant eye illuminates and completes the unfinished apex of the pyramid. *Annuit Coeptis*, "He favors our undertaking," communicates the union of spirit and matter, a perceived blessing upon *Novus Ordo Seclorum*, America, "the New Order of the Ages".

Throughout the world the pyramid, or mountain, symbolizes a place of initiation where one is introduced to the process of self-reliance. Each stone (individual) contributes to the stability of each layer (state). The interdependent, yet self-governing layers (states), comprise the whole (nation). The pyramid's solidarity depends on the integrity and method of organization used to manifest the principles which guide its construction. The Reverse Seal symbolizes America's inner self.

On May 18, 1982 Senator John Warner of Virginia, on behalf of himself and Senators Goldwater (Arizona), Nunn (Georgia), and Pell (Rhode Island) submitted Resolution #394 which calls for the striking of the Reverse Seal's die, as fulfillment of 1782 and 1884 Congressional laws, and that the week beginning June 20 be proclaimed "Great Seal Bicentennial Week, announcing the cutting of dies for the complete Seal". The Resolution came before the Senate floor with an additional twenty-three co-sponsors,

representing over half of the States of the Union.

Two days ago, on June 18, 1982, the Senate voted unanimously in favor of the Resolution. Let us pray that on this day of the Great Seal's Bicentennial, that our Senate's resolution be proclaimed by our Nation's leader, President Ronald Reagan.

Several other people must be cited for their determination and conviction that our Founding Fathers' intentions be fulfilled, who in addition to the Senate have participated in an effort to complete America's Great Seal. They are: Barbara Honneger, Donald E. Channell, Chuck Goodspeed, Paul Zammarian, and Jill Meyerhoff-Hieronimus.

For those interested in a comprehensive study of America's Great Seal, the 1978 State Department publication, *The Eagle and the Shield*, authored by the late Richard S. Patterson and Richardson Dougall, is to my knowledge the finest historical work on the subject.

I am honored to have shared this commemorative day with all of you. Thank you, Mr. Hobart Cawood, Superintendent of Independence National Historical Park, for distributing the Great Seal Brochures which I prepared for this occasion.

Let's remember—we are not just the people from Philadelphia. We are not just the people from the east coast. We are not just the people from America, nor North America. We are people from the planet earth. We are earth people.

PAUL BOUCHER

Mr. NUNN. Mr. President, it is with a great sense of personal loss that I inform my colleagues of the untimely death on July 4 of Paul R. Boucher, the Inspector General of the Small Business Administration. Paul was killed in a freak accident when he was struck by a radio-controlled model airplane.

Mr. President, I first met Paul in 1979 when President Carter designated him as the first statutory Inspector General for the Small Business Administration. At that time, I was the ranking Democratic member of the Senate Small Business Committee, serving behind our former colleague, and chairman, Gaylord Nelson.

From his confirmation by the Senate as SBA Inspector General on June 27, 1979, I have had the privilege of working closely with Paul. Throughout his tenure, I had always found him to be a topflight professional, a tough but fair investigator, and an individual who understood his responsibilities and important duties in his role as Inspector General.

Paul served as Inspector General until all Federal Inspectors General were removed by President Reagan on January 20, 1981. On May 12, 1981, President Reagan nominated Paul for reappointment as the SBA Inspector General, one of only six IG's to be reappointed. Upon his renomination, I reviewed his accomplishments during his initial term of service, and discussed with him his views on the role of the IG, and his future plans for the agency.

In addition to his statutory responsibilities, he viewed his job as a challenge to change the way SBA employees and the public viewed that agency. He felt progress was being made on both of those points, measured by the agency's adoption of many of his recommendations, and the extent to which employees and citizens brought matters to his attention. He also had high praise for the auditors and investigators on his staff, and for their proven results at that time. Cash recoveries to the Government exceeded $10 million, for example.

On June 2, the Senate Small Business Committee unanimously voted to recommend his reappointment, and on June 19, the Senate confirmed him again to be Inspector General of the Small Business Administration.

Mr. President, during the past 18 months, while I have served as the ranking Democratic member of the Senate Small Business Committee, I had many occasions to work with Paul. We met periodically to review investigative work he was undertaking, including SBA's internal contracting procedures, Federal disaster assistance programs, and in particular the farm disaster aid, and the agency's financial assistance programs. Paul held himself to a high standard of performance, and the work of his office proved that he was successful in his goal.

He was also an innovator in addressing his responsibilities. To my knowledge, he was the first Inspector General to establish an advisory committee of experienced agency employees to assist him, and his staff, in understanding the day-to-day operation of certain agency programs. The first advisory council, to provide him with their comments and suggestions directly, met to review SBA's disaster lending program. This council's recommendations were also received as part of our committee's oversight hearing on that program. Paul also put more of his audit and investigative staff in the field, and established an "IG-hotline" for employees and citizens to use to bring issues directly to his attention.

Mr. President, his accomplishments in office are, in themselves, a tribute to Paul Boucher. The Small Business Administration has lost an outstanding employee dedicated to improving the quality of service to the small business community. The Nation has lost an Inspector General committed to insuring that Federal funds, and Federal programs, were properly utilized. Those of us on the Small Business Committee have lost a man of great integrity and a trusted adviser.

His wife Ginette, his children Eric and Nicole, and his entire family have my deepest sympathy.

NUCLEAR TEST BANS

Mr. KENNEDY. Mr. President, today Senators MATHIAS, PELL, and others are joining me in circulating a "Dear Colleague" letter and an attached Senate joint resolution which calls upon the President to request Senate ratification of the threshold test ban and peaceful nuclear explosion treaties, and to resume negotiations for a verifiable comprehensive test ban treaty.

I strongly condemn the Reagan administration's decision to abandon negotiations for a comprehensive nuclear test ban. This decision radically reverses the bipartisan policy adopted by Presidents Eisenhower and Kennedy—and carried forth by five administrations, both Republican and Democratic. It casts the greatest doubt on the seriousness of President Reagan's commitment to nuclear arms control.

This decision flies in the face of the nationwide call for an immediate freeze on the testing, production, and deployment of nuclear weapons. It repudiates the worldwide demand to prevent the proliferation of nuclear weapons around the globe. A comprehensive nuclear test ban is an essential element of both the nuclear freeze and an effective nonproliferation strategy.

I am determined to do all in my power to insure that our Government resumes the longstanding, bipartisan policy of ending all nuclear tests and reversing the nuclear arms race.

I am therefore pleased to join with my colleagues in circulating our nuclear test ban resolution, which we intend to introduce in the Senate next week—as we have in past sessions of Congress—and I hope that our colleagues will carefully consider and hopefully become initial cosponsors of this resolution when it is introduced.

Mr. PELL. Mr. President, I am pleased to join with Senators KENNEDY and MATHIAS and others in a new initiative seeking firmer controls over nuclear explosions, as well as a verifiable ban on nuclear detonations.

We are urging our colleagues to join us in sponsoring a resolution calling upon the President to seek Senate consent to ratification of the threshold test ban and peaceful nuclear explosions and to resume the comprehensive test ban negotiations.

We were dismayed to learn in news reports today that the administration has decided not to seek agreement with the Soviet Union and Great Britain on a comprehensive ban on nuclear explosions. This decision marks an unfortunate retreat from a commitment by the United States in the Limited Test Ban Treaty of 1963 and the Non-Proliferation Treaty of 1968 to seek to achieve an end to nuclear weapons tests for all times.

Mr. President, I understand also that the administration plans to ask

further agreement from the Soviet Union on verification provisions before seeking Senate consent to ratification of the threshold Test Ban Treaty signed in 1974 by President Nixon and the Peaceful Nuclear Explosions Treaty signed in 1976 by President Ford.

I am frankly surprised that such decisions would be made by this administration at a time when it is so valuable to demonstrate to the Soviets that we are serious about arms control and to reassure our allies and our own citizens on that point. I would have thought that the administration would understand by now that action is needed.

The administration's unwillingness to take arms control seriously spurred the growth of the nuclear freeze movement. Clearly, Americans of all political views are clamoring for steps to bring an end to the nuclear arms race.

Mr. President, further controls on nuclear testing will apply real restraints to the nuclear arms race and helps us in efforts to curb the proliferation of nuclear explosions.

I hope that other Senators will join us in our effort to bring to the President's attention the importance of action now to solidify controls over nuclear explosions and to achieve a complete ban on such explosions.

ANNIVERSARY OF LANDING ON THE MOON

Mr. SCHMITT. Mr. President, today is the 13th anniversary of the first successful landing of men on the Moon. It is unfortunate that in the intervening 13 years we have done little to capitalize on our Nation's future destiny in the new ocean of space.

Mr. President, on May 25, 1961, speaking before the Congress and the Nation, President Kennedy said:

> I believe this Nation should commit itself to achieving the goal, before this decade is out, of landing a man on the Moon and returning him safely to Earth. No single space project in this period will be more impressive to mankind, or more important in the long-range exploration of space; and none will be so difficult or expensive to accomplish.

This Nation, through hard work, often in the face of seemingly insurmountable obstacles, dedication by hundreds of thousands of Americans and an enthusiasm for what we were doing, accomplished this goal on July 20, 1969; 13 years ago today.

We must ask ourselves now, in retrospect, did the space program accomplish what President Kennedy proclaimed it would for our Nation, and then, prospectively, how do we proceed from here?

Mr. President, I contend that with all the foresight, confidence and leadership that President Kennedy demonstrated, the U.S. space program has far exceeded what he envisioned.

Most certainly we achieved international recognition of our achievement. It is estimated that more than half the population of the world was aware of the Apollo II Moon landing. A continuing tribute to our space activities is demonstrated by the more than 50 million visitors to the National Air and Space Museum in its first 5 years, making it the most popular museum in the world.

Estimates of the return on our investment in space activities have ranged from 4 times to 20 times our investment, but much of this return is difficult to quantify. The vast base of technology from our space endeavors supplies a continuous stream of goods and services in almost every aspect of our lives, including health care, communications, computers, energy efficiency, consumer products, and environmental protection. We now take for granted our weather forecasting, global telecommunications network, hand calculators, et cetera, without a second thought that these services and products exist because of the space program.

Perhaps the most significant confirmation of the values of space endeavors is that the United States and the U.S.S.R. are no longer the only countries pursuing a space program. A recent Office of Technology Assessment report states:

> When the U.S. space program began, the Soviet Union was our only competition in space. The Soviets have never challenged our leadership in space applications. Now, however, international competition in space applications is a reality . . . Their increased activities threaten the loss of significant revenue opportunities for the U.S. as well as a potential loss of prestige and influence.

Mr. President, let me mention a few examples as they relate to the major elements of our space program.

In launch services, the French have declared their Ariane launch vehicle operational and are providing very attractive financial arrangements to entice customers. Needless to say—it is working. In addition, they, together with their European partners, are already providing funding to increase Ariane's capabilities, as well as looking at advanced systems to meet launch needs after 1990. They pose a continuous challenge to us in this decade and the next.

In space science, the United States will be conspicuously absent when Halley's Comet enters the inner portion of our solar system once again. Instead, the comet will be met by spacecraft from the Soviet Union, Japan, and the countries comprising the European Space Agency. In fact, a French official commented on the French participation in the Soviet Union's Venus/Halley Comet mission:

> It is sometimes difficult or frustrating to deal with the Soviets, and we had to make changes on some projects, but the end result is space experience we otherwise would not be able to achieve.

In addition, it appears that the Western Europeans are finalizing plans for a follow-on Spacelab program that may lead to a free-flying orbital laboratory in the 1990's. The Europeans are no longer constrained by a dependency on the United States.

In space applications, the French SPOT system may provide the world with satellite images of the Earth while we continue to flounder in development of an operational capability for land remote sensing.

The Japanese are aggressively pursuing satellite communications technology and have established as one of their 15-year goals to advance communications technology and develop their own technology base. The 30/20 gigahertz program is perhaps the most visible example of the Japanese challenge. In fact, in a few years or so, I would expect to see the United States excluded from the satellite business of the world unless we do something dramatic, and soon.

In aeronautics, our challengers are numerous. U.S. manufacturers of commercial transports have lost more than 20 percent of their market to European competitors over the past several years. It is safe to say that we do not have a computer aircraft industry of any significant proportions. Additionally, the U.S. market share for rotorcraft has decreased by 15 percent at a time when the world market is expanding. The European Community has set policies and plans to displace U.S. leadership in aviation by the end of the decade. Following this lead, the Japanese, Canadians, and the Brazilians have incorporated civil aircraft development and production in their national industrial plans.

In examining these few examples, and unfortunately there are many more, it is necessary to highlight that these other nations are pursuing space and aeronautical technology because of its commercial and scientific value.

This past year has been a vivid reminder to the American people and the world that the United States is indeed in the space business. We have had four tremendously successful Space Shuttle flights, opening up the doors to a new era of space exploration and exploitation. We have seen exciting pictures from the Voyager II spacecraft's rendezvous with Saturn. This has demonstrated to the world, not only our Nation's commitment to scientific endeavors, but our technology base developed for the planetary program adds credibility to our economic, technological, and defense capability. Unfortunately, that is a 10-year-old technology base. Our space program successes this year have shown the world that even during some of the most difficult of times

that this country has gone through, our technological capabilities are there for continued future growth.

We must continually remind ourselves, however, that science and technology in general must be an intrinsic part of our economy recovery. Unless that reservoir is filled, it will not be possible to sustain whatever economic recovery may occur in the short or long term. We have two choices: We can coast on our past achievements with the threat of oncoming waves from both the Soviet Union and others in the free world, or we can demonstrate that our commitment to technological achievement has made our country great and will continue to do so. The milestones of our national path through history are marked almost entirely by events that have shown a very broad utilization of science and technology created by a free people and utilized by a free people to their advantage. An aggressive national space policy that supports our commercial, scientific, and national security interests will help insure our freedom.

STATE ANTI-FRAUD MINERAL ROYALTY COLLECTION ACT OF 1982

STATES CAN DO BETTER THAN FEDERAL BUREAUCRATS IN COLLECTING ROYALTIES

Mr. BAUCUS. Mr. President, this year the Federal Government will fail to collect hundreds of millions of dollars in royalties from mineral production on Federal lands.

The General Accounting Office (GAO), the inspector general at the Department of Energy, numerous witnesses before committees of both the Senate and the House, and a vast collection of press accounts have relayed to Congress the seriousness of theft, fraud, and simple bungling of the Federal Government's collection of royalties on oil owned by the people of the United States.

By law, 50 percent of the royalties collected from Federal mineral production goes directly to the States; 40 percent goes into the Reclamation Fund, and 10 percent is retained by the Federal Government to pay for the expenses of collecting royalties. Unfortunately, while Congress did its best to make sure that the Federal Government had adequate resources to insure prudent and careful collection of these royalties—setting aside 10 percent of the funds collected for just this purpose—over the years very little of this amount has been used for collecting. The result, as I said, has been a well-publicized disastrous waste and abuse.

Meanwhile, States and the reclamation projects that were to receive 50 percent and 40 percent of the collected royalties respectively have been shortchanged. And the States have had no recourse for insuring fair and accurate accounting. Accordingly, I am introducing legislation today that seeks to cut through all the commissions and rhetoric, seeks to reach to the heart of the collections problem by a relatively simple change in the law: The legislation simply seeks to allow these States to collect the royalties directly, moving the whole problem away from the Federal bureaucracy that has done such a poor job, to the States themselves who have such a great stake in making sure that royalty collections are efficient and accurate.

I emphasize that this legislation does not affect the existing statutory allocation formula. It does not raise royalty rates. It does not raise the amounts owed by the oil companies.

This legislation merely provides the means by which past deficiencies identified by GAO, the inspector general's office, and numerous other sources, including the Geological Survey itself, can be corrected. Simply put, it is the States who are being the most hurt by the totally inadequate efforts of the Federal Government to collect these royalties. This bill will permit the States to collect the royalties themselves if they can comply with reasonable audit guidelines. If any States choose not to collect these royalties themselves, it will insure that the 10 percent that is now directed to be used for collections is placed into a trust fund so that it cannot be diverted to other activities.

While I emphasize that my purpose is not to tamper with the existing statutory allocation of the royalty funds in any way, I do make one minor change: I am so convinced that the States can do a better job of collecting these royalties than the Federal Government has done that this legislation provides that the States, if they choose to do the collection themselves, will get 5 instead of 10 percent of the royalty money to use for this purpose. The other 5 percent would simply revert to the Treasury. I am told that the States are quite certain that they can do a much, much better job with 5 percent than has the Federal Government with a full 10 percent at its disposal. It's amazing how efficient State governments can be generally and how especially efficient State governments can be when they stand to gain substantially by having the laws of our lands enforced.

I have with me today resolutions by the Western States Land Commissioners Association, the Conference of Western Attorneys General, the Western Governors' Conference, and the Interstate Oil Compact Commission condemning the practices of the past and recommending in strong, forceful language that the States be permitted to collect these moneys themselves.

My State, Montana, has been a party to these resolutions. Montana is keenly aware of the fact that it is losing money to the sloppy accounting and regulatory practices of the U.S. Department of the Interior. The State of Montana feels that it can develop a more efficient and accurate system of collecting and accounting for royalties within its own boundaries. Indeed, on June 15 of this year, the Governor of Montana wrote to the Montana congressional delegation, stating:

> Allowing the States to administer the royalty collection process would extend the partnership concept that was established in the Federal strip-mining legislation * * * Montana has no assurances that the Department of the Interior will adequately maintain and improve an effective royalty collection process over an extended period of time. The option of State administration is necessary to protect the State's interests if it appears the Interior's work is inferior to a State-administered system.

Mr. President, I ask unanimous consent that copies of these resolutions and letters be inserted in the RECORD at the conclusion of my remarks.

In response to the Governor's June 15 letter, and because of my own strong concern about this problem that is costing my State so much, I prepared the legislation which I am introducing. The Governor has reviewed this bill, and he has written to me to express his support and to once again stress the importance of this problem to Montana.

Mr. President, I ask unanimous consent that copies of these letters and resolutions be inserted in the RECORD at the conclusion of my remarks.

I would urge all Senators who have an interest in Federal royalty collections to let the Senate Energy and Natural Resources Committee know of your support for the State collection option. The committee has been working on reforming royalties collection for many months, but time is running out for legislative action this Congress. I understand the administration's concern and the concern of many members of that committee that these problems be adequately addressed. However, there is no need for a continued delay in trying to fine tune reforms of the Federal collection process when the affected States are eagerly awaiting the chance to correct the problems on a local basis themselves.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

JUNE 15, 1982.

The Honorable JOHN MELCHER,
U.S. Senator,
Dirksen Senate Office Building,
Washington, D.C.

DEAR SENATOR MELCHER: Legislation is pending in both the House (HR 5121) and Senate (SB 2305) that would improve methods of collecting and auditing federal mineral royalties. Because of widespread problems in the current collection of royalties and because state governments receive fifty percent of these revenues, Montana would ben-

efit from any improvements in royalty collection efforts.

I recommend that maximum flexibility be afforded to the states to participate in mineral royalty collection activities. The legislation should allow the states either to enter into cooperative agreements with the Department of Interior or assume the function of collecting mineral royalties on federal lands within their borders.

Montana has entered into the enclosed cooperative agreement with the Minerals Management Service to conduct royalty audits. Current law, as interpreted by the Department of Interior, does not allow a state to be reimbursed for its share of the costs in conducting these royalty audits. Furthermore, a state is not allowed to share in the penalties and interest resulting from audit assessments which it helps to produce. Legislation authorizing cooperative agreements should allow the reimbursement of a state's costs and a sharing of all revenues produced by an audit.

Allowing the states to administer the royalty collection process would extend the partnership concept that was established in the federal strip-mining legislation. In that instance, states were allowed the strip-mining regulations on federal land. The state's interest in mineral royalty auditing is significant enough to allow the option of state administration in this case as well. States not only receive a share of federal royalties; their royalties on state-owned minerals are also affected by the federal royalty process where unitized agreements cover intermingled state and federal mineral resources.

Montana has no assurances that the Department of Interior will adequately maintain and improve an effective royalty collection process over an extended period of time. The option of state administration is necessary to protect the state's interests if it appears the Interior's work is inferior to a state-administered system. In addition, because of our system of severance and net and gross proceeds taxes, Montana has the experience and expertise in natural resource revenue collection activities necessary to administer a royalty collection system if it proves necessary and desirable to do so.

With the option of state administration, the Department of Interior could maintain an oversight and management policy-making function that would guarantee the adequacy and consistency of state royalty collections activities. Duplication of effort or inconsistency of records need not occur under the option of state administration.

I appreciate any attention and consideration you could give to these matters. I am enclosing a copy of the Memorandum of Agreement (MOA) that Montana signed with the Department of Interior on April 1, 1982. If you have any questions on our position of our MOA, please feel free to contact Ellen Feaver, Director of the Montana Department of Revenue at (406) 449-2460. I am also enclosing a copy of a resolution which was adopted last week at the Western Governors' Conference.

Sincerely,

TED SCHWINDEN,
Governor.

Enclosure (MOA and Resolution 82-9).

cc: Senator Max Baucus
Representative Pat Williams
Representative Ron Marlenee

STATE OF MONTANA,
OFFICE OF THE GOVERNOR,
Helena, Mont., July 20, 1982.

Senator MAX BAUCUS
U.S. Senate, Dirksen Office Building, Washington, D.C.

DEAR MAX: I support the legislation, which you are introducing, that would provide the states with the option of assuming the administration of royalties on federal lands. With this option, states would have the means of securing proper revenues from public lands if the federal government should fail to maintain an adequate royalty collection program.

States have a special stake in the administration of royalties in the case of unitized agreements pertaining to minerals under an area of checkerboard state and federal ownership. In these cases, an inadequate royalty collection process hurts a state twice: once in the case of its 50% share of federal royalties, and again with respect to its 100% share of state royalties. The option of state administration would enable a state to protest its royalty interests in the case of a unitized agreement governing both state and federal lands.

As you know, I also support providing the states with the additional option of cooperative agreements for federal royalty auditing, with a reimbursement of costs to states incurred under such agreements. Having available both options of cooperative agreements and state administration would afford maximum flexibility to the states to participate in mineral royalty collection activities.

Your legislation would extend the idea, established under the strip-mining legislation, of having states participate as full partners with the federal government in the management of public lands. I endorse that type partnership.

Sincerely,

TED SCHWINDEN
Governor.

THE WESTERN STATES LAND COMMISSIONERS ASSOCIATION—RESOLUTION NO. 2

Whereas the Department of the Interior is attempting to improve its collections of mineral royalties from the public lands; and

Whereas inefficiencies and delays in such collections have resulted in serious underpayments to the federal government and states; and

Whereas many western states have in place or are capable of developing systems capable of carrying out royalty collections and audits; and

Whereas this Association has proposed that a uniform data bank and procedures be established with the Department of the Interior so that states, Indian tribes and federal agencies will have adequate information for royalty and taxation programs; and

Whereas the legislative history of the Mineral Leasing Act of 1920 shows that Congress intended 10% of federal mineral royalties be made available for administration of the act; and

Whereas the western states can, with such funding from the act, establish and conduct programs involving field inspections, audits, accounting and collections with respect to federal mineral leases: Now, therefore, be it

Resolved, That—

(1) This Association urge Congress and the President to approve the appropriation of adequate funds for grants and contracts for the establishment of state programs for the collections and audit of mineral royalties from the public lands; and

(2) The Secretary of the Interior is respectfully urged to authorize pilot projects, federally funded, for such purposes.

THE WESTERN STATES LAND COMMISSIONERS ASSOCIATION—RESOLUTION NO. 3

Whereas in 1920 Congress determined that the public mineral lands in the western states should be retained and leased rather than transferred to those states and their people; and

Whereas to compensate for the impact of federal leasing and the State revenue losses from such federal retention of lands, the Congress has determined that 50% of the federal revenues from mineral leases or public lands should go to the state from which such revenues originated; and

Whereas for over 20 years, audits and studies by the Department of the Interior, the General Accounting Office, and Congress have shown serious inefficiencies in the collection of such mineral revenues by the U.S. Geological Survey; and

Whereas many states with mineral lands have in place, or are developing, efficient systems for the collection and audit of mineral revenues for purposes of state taxation and leasing programs; and

Whereas payments to the states of their share of mineral royalties is made only twice a year, and often later than the dates set forth in the Mineral Leasing Act, and

Whereas Representatives Markey and Santini have, after investigation and study, proposed legislation (HR 5121) authorizing states to collect mineral royalties on behalf of the federal government, and to pay the federal share of such revenues biennially to the federal government after deducting costs of administration and the 50% due to the states; and

Whereas the proposed legislation would result in improved efficiencies in the collection of royalties and help redress the imbalances in western states' revenues resulting from the federal retention of the public lands and inefficiencies and delay in royalty collections: Now, therefore, be it

Resolved, That the Western States Land Commissioners Association approves the Markey-Santini plan, and urge the Secretary of the Interior to support the principles set forth therein.

RESOLUTION NO. 81-3

Whereas approximately 87 percent of Nevada, 64 percent of Utah and Idaho, 53 percent of Oregon, 49 percent of Wyoming, 44 percent of Arizona, 47 percent of California, 37 percent of Colorado are in federal hands; and a substantial portion of the mineral resources of this nation is situated on these lands; and

Whereas the Mineral Leasing Act of 1920 and the Geothermal Steam Act of 1970 requires that 50 percent of the federal mineral royalties from such lands be distributed to the States from which the royalties are collected; and

Whereas the Secretary of the Interior, acting through his Geological Survey, has a mandatory duty to collect and account to the benefical states for monies payable under the Mineral Leasing Act of 1920 and the Geothermal Steam Act of 1970; and

Whereas in reports of 1959, 1964, 1972, and 1979 the Comptroller General, of the United States has identified numerous deficiencies in the collection and accounting practices of the Department of the Interior; and

Whereas both the United States and the States from which these mineral royalties are collected have been seriously and substantially underpaid as a result of such deficiencies and inefficiencies on the part of the Department: Now, therefore, be it

Resolved by the Conference of Western Attorneys General, That Congress, the Department of the Interior, and the Commission on the Fiscal Accountability of the Nation's Energy Resources give support to the following principles:

1. At a State's option, the Department of the Interior should relinquish to the State entire responsibility for the collection, accounting, and auditing of oil and gas royalties payable from federal lessees in the State.

2. At a State's option, the Department of the Interior, should contract with and authorize the State to perform "lookback" audits and "past due" collections resulting from the previous mismanagement of the U.S. Geological Service.

3. The expense of a State's assumption of royalty management, collection, and auditing should be funded from that ten percent share made available under the Mineral Leasing Act of 1920 for administrative costs and should not diminish the State's fifty percent share. Recoverable State expenses should include the added police and prosecutorial costs incident to the enforcement of the royalty management program.

4. The federal government should recognize its fiduciary obligation to the producing States in the proper management of royalty collections. In this regard, the federal government, in recognition of its obligation as a fiduciary, should commission prompt, independent, and competent audits of the royalty management program so as to determine the amount of royalties still owing to the States. The federal government should also obligate itself to the payment to the States of all past due royalties, plus interest, determined through the audits to have been unpaid.

5. The Windfall Profits Tax should be amended so as to make clear that the tax is inapplicable to the States' fifty percent share of oil and gas royalties collected from federal lessees.

RESOLUTION 82-9

Whereas, approximately 87 percent of Nevada, 64 percent of Utah and Idaho, 53 percent of Oregon, 49 percent of Wyoming, 44 percent of Arizona, 47 percent of California, 37 percent of Colorado, and 34 percent of New Mexico are in federal hands; and a substantial portion of the mineral resources of this nation is situated on these lands; and

Whereas, the Mineral Leasing Act of 1920 and the Geothermal Steam Act of 1970 requires that 50 percent of the federal mineral royalties from such lands be distributed to the States from which the royalties are collected; and

Whereas, the mineral royalties paid to the 23 states with federal onshore leases in fiscal year 1980 amounted to $315 million and could amount to more than $600 million in fiscal year 1985 and $1.3 billion in 1990; and

Whereas, the Secretary of the Interior, acting through his Geological Survey, has a mandatory duty to collect and account to the beneficial states for monies payable under the Mineral Leasing Act of 1920 and the Geothermal Steam Act of 1970; and

Whereas, in reports of 1959, 1964, 1972, and 1979 the Comptroller General of the United States has identified numerous deficiencies in the collection and accounting practices of the Department of the Interior; and

Whereas, the specially-appointed Commission on the Fiscal Accountability of the Nation's Energy Resources concluded that industry is not paying the full share of royalties it rightly owes for oil and gas removed from federal and Indian lands and that such underpayment could range from 100 million to several hundred million dollars; and

Whereas, both the United States and the States from which these mineral royalties are collected have been seriously and substantially damaged as a result of such deficiencies and inefficiencies on the part of the Department; and

Whereas, bills are pending in both houses of Congress on this issue:

Now, therefore, be it

Resolved by the Western Governors' Conference That Congress and the Department of the Interior gives support to the following general principles:

1. At a State's option, the Department of the Interior should relinquish to the State entire responsibility for the collection, accounting, and auditing of oil and gas royalties payable from federal lessees in the State.

2. At a State's option, the Department of the Interior should contract with and authorize the State to perform "lookback" audits and "past due" collections resulting from the previous mismanagement of the U.S. Geological Service.

3. The expense of a State's assumption of royalty management, collection, and auditing should be funded from that ten percent share made available under the Mineral Leasing Act of 1920 for administrative costs and should not diminish the State's fifty percent share. Recoverable State expenses should include the added police and prosecutorial costs incident to the enforcement of the royalty management program.

4. The federal government should recognize its fiduciary obligation to the producing States in the proper management of royalty collections. In this regard, the federal government, in recognition of its obligation as a fiduciary, should commission prompt, independent, and competent audits of the royalty management program so as to determine the amount of royalties still owing to the States. The federal government should also obligate itself to the payment to the States of all past due royalties, plus interest determined through the audits to have been unpaid: Be it further

Resolved That the Conference supports H.R. 5121, introduced by Congressmen Markey and Santini and favorably recommended by a subcommittee to the full House Interior and Insular Affairs Committee, as a bill furthering the principles of the Conference as set forth in this resolution: Be it further

Resolved That the Conference disapproves S. 2305, introduced by Senator McClure, by request of the Department of Interior, and now pending before the Senate Energy Committee, and urges that Committee and the Senate to amend the bill to be in conformance with the principles of this Conference.

RESOLUTION ON MINERAL ACCOUNTING

Whereas, the Public Lands Committee of the Interstate Oil Compact Commission has considered the problems involved in supervision by the Department of the Interior of the production of mineral resources on public and Indian lands of its meetings in Casper, Wyoming, on June 29, 1981; and

Whereas, as the report by that Committee demonstrates, the problems of Interior supervision of such resources have seriously complicated the actions of the affected states in preventing physical waste of oil and gas and insuring its conservation, which are the primary goals of this Compact; and

Whereas, that committee also reports that the inadequacies of Interior administration have deprived member states of the share of federal mineral leasing proceeds which has been wisely granted them by Congress to compensate for the added governmental responsibilties placed on them by the existence of the public lands within their borders; and

Whereas, the committee has requested that the IOCC support the efforts of member states to insure adequate supervision of federal mineral leasing operations, both to prevent waste and to insure collection of those revenues due: Now, therefore, be it

Resolved, That the Interstate Oil Compact Commission urges that the United States Department of Interior accelerate its efforts to correct the existing administrative problems, and that it consider possible utilization of the state conservation agencies on a formal, compensated contract basis, to undertake direct administration of prevention of waste and collection of revenues on the public lands: Be it further

Resolved, That the Executive Director is hereby instructed to furnish a duly certified copy of this resolution to the President of the United States and to the Secretary of the Department of Interior.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Saunders, one of his secretaries.

THIRD ANNUAL REPORT ON THE STATUS OF THE WEATHERIZATION ASSISTANCE PROGRAM—MESSAGE FROM THE PRESIDENT—PM 154

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Energy and Natural Resources:

To the Congress of the United States:

In accordance with the requirements of Section 254 of the National Energy Conservation Policy Act (P.L. 95-619; 42 U.S.C. 8233), I hereby transmit the Third Annual Report on the Status of the Weatherization Assistance Program.

RONALD REAGAN.

THE WHITE HOUSE, *July 20, 1982.*

ANNUAL REPORT ON THE ADMINISTRATION OF THE RADIATION CONTROL FOR HEALTH AND SAFETY ACT—MESSAGE FROM THE PRESIDENT—PM 155

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Labor and Human Resources:

To the Congress of the United States:

Pursuant to the requirements of Section 360D of the Public Health Service Act (42 U.S.C. 263 1), I hereby transmit the 1981 Annual Report on the Administration of the Radiation Control for Health and Safety Act.

RONALD REAGAN.

THE WHITE HOUSE, *July 20, 1982.*

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-3837. A communication from the Comptroller General of the United States transmitting, pursuant to law, a report relative to the limitations of fiscal year 1981 fourth quarter obligations in certain Agencies; to the Committee on Appropriations.

EC-3838. A communication from the Clerk of the United States Court of Claims transmitting, pursuant to law, a copy of the Court's judgment order in favor of the plaintiffs in the case of Salt River Pima-Maricopa Indian Community, et al. v. The United States; to the Committee on Appropriations.

EC-3839. A communication from the Acting Director of the Defense Security Assistance Agency transmitting, pursuant to law, a report on a proposed foreign military sale to Malaysia; to the Committee on Armed Services.

EC-3840. A communication from the Acting Director of the Defense Security Assistance Agency transmitting, pursuant to law, a report on a proposed foreign military sale to Singapore; to the Committee on Armed Services.

EC-3841. A communication from the Deputy Assistant Secretary of Defense for Administration transmitting, pursuant to law, a report on the Department of Army's intention to exercise the exclusion clause concerning the examination of records by the Comptroller General in connection with the contract with the Royal Ordnance Factory for the acquisition of the M252 Mortar System and the M821 Mortar Cartridge and associated equipment; to the Committee on Armed Services.

EC-3842. A communication from the Principal Deputy Assistant Secretary of the Navy for Shipbuilding and Logistics transmitting, pursuant to law, a report on a decision made to convert the security guard services function at the Naval Technical Training Center, Corry Station, Pensacola, Florida to performance under contract; to the Committee on Armed Services.

EC-3843. A communication from the Principal Deputy Assistant Secretary of Defense for Shipbuilding and logistics transmitting, pursuant to law, a report on a decision made to convert the buildings and structures maintenance function at the Norfolk Naval Shipyard, Portsmouth, Virginia, to performance under contract; to the Committee on Armed Services.

EC-3844. A communication from the President and Chairman of the Export-Import Bank of the United States transmitting, pursuant to law, a report with respect to a transaction involving U.S. exports to Colombia; to the Committee on Banking, Housing, and Urban Affairs.

EC-3845. A communication from the President and Chairman of the Export-Import Bank of the United States transmitting, pursuant to law, a report on loan, guarantee, and insurance transactions supported by Eximbank during May 1982 with communist countries; to the Committee on Banking, Housing, and Urban Affairs.

EC-3846. A communication from the Acting Comptroller General of the United States transmitting, pursuant to law, a report on a deferral of budget authority provided for the Coast Guard's acquisition, construction, and improvement account which should have been reported to the Congress by the executive branch; to the Committee on Commerce, Science, and Transportation.

EC-3847. A communication from the Secretary of Transportation transmitting a draft of proposed legislation to provide subsistence allowances for members of the Coast Guard officer candidate program; to the Committee on Commerce, Science, and Transportation.

EC-3848. A communication from the Administrator of the National Oceanic and Atmospheric Administration transmitting, pursuant to law, the Ocean Thermal Energy Conversion Environmental Effects Assessment Program Plan, 1981-1985; to the Committee on Commerce, Science, and Transportation.

EC-3849. A communication from the Energy Information Administration transmitting, pursuant to law, the report for the first quarter of 1982 on Energy Information; to the Committee on Energy and Natural Resources.

EC-3850. A communication from the Acting Secretary of Interior transmitting, pursuant to law, the final study on the proposed Bartram National Trail recommending that it neither be qualified as historic or scenic; to the Committee on Energy and Natural Resources.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. PERCY, from the Committee on Foreign Relations, without amendment:

H.J. Res. 494. Joint resolution with regard to Presidential certifications on conditions in El Salvador.

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. PERCY, from the Committee on Foreign Relations:

Arthur H. Davis, of Colorado, to be Ambassador Extraordinary and plenipotentiary of the United States to Paraguay.

Contributions are to be reported for the period beginning on the first day of the fourth calendar year preceding the calendar year of the nomination and ending on the date of the nomination.

Nominee: Arthur H. Davis, Jr.

Post: Ambassador to Paraguay.

Contributions: amount, date, donee.

1. Self: $50.00, June 16, 1978, Armstrong/Senate; $167.00, March 22, 1979, Loye/Congress; $500.00, April 15, 1980, Loye/Congress.

2. Spouse: $50.00, December 29, 1981, Kramer/Congress; $25.00, June 16, 1978, Scott/Congress.

3. Children and Spouses: Doug Campbells, Karen Davis, Gene Fodors, Art Davis III—none.

4. Parents: deceased.

5. Grandparents: deceased.

6. Brothers and Spouses: Fred Davis, none; Robt./ Barbara Davis, none.

7. Sisters and Spouses: Ruth and Bill Hatcher, none.

George W. Landau, of Maryland, a Career Member of the Senior Foreign Service, Class of Minister-Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States to Venezuela.

Contributions are to be reported for the period beginning on the first day of the fourth calendar year preceding the calendar year of the nomination and ending on the date of the nomination.

Nominee: George W. Landau.

Post: Venezuela.

Contributions, amount, date, donee.

1. Self: None.

2. Spouse: None.

3. Children and Spouses: Robert W. Christopher T.: None.

4. Parents: Deceased, None.

5. Grandparents: Deceased, None.

6. Brothers and Spouses: None, none.

7. Sisters and Spouses: None, none.

Robert Werner Duemling, of California, a Career Member of the Senior Foreign Service, Class of Minister-Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States to the Republic of Suriname.

Contributions are to be reported for the period beginning on the first day of the fourth calendar year preceding the calendar year of the nomination and ending on the date of the nomination.

Nominee: Robert Werner Duemling.

Post: Ambassador to Suriname.

Contributions, amount, date, donee.

1. Self: None.

2. Spouse, see attached sheet.[1]

3. Children and Spouses: None.

I have three step-children, none of whom have made any political contributions.

4. Parents: Deceased.

5. Grandparents: Deceased.

6. Brothers and Spouses: None—that is, no brothers.

7. Sisters and Spouses: None—i.e. none have made political contributions. Names: Eleanor Staetter, Mary Anne Gettys, Elizabeth Haedrich.

Nicholas Platt, of the District of Columbia, a Career Member of the Senior Foreign Service, Class of Minister-Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States to the Republic of Zambia.

Contributions are to be reported for the period beginning on the first day of the fourth calendar year preceding the calendar

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[1] Sheet not printed in Record.

year of the nomination and ending on the date of the nomination.

Nominee: Nicholas Platt.

Post: Lusaka, Zambia.

Contributions, amount, date, donee.

1. Self, see attached sheet.[1]

2. Spouse: Sheila Maynard Platt, none.

3. Children and Spouses: Adam, Oliver and Nicholas, Jr., none.

4. Parents: Geoffrey Platt, Sr. See attached sheet; [1] Alice Holbrook Platt (stepmother). See attached sheet.[1]

5. Grandparents: Deceased, none.

6. Brothers and Spouses: Geoffrey Platt, Jr. See attached sheet; [1] Hope Forsythe Platt, none.

7. Sisters and Spouses: Penelope Platt Littell, none; Walter I. Littell, none.

(The above nominations were reported from the Committee on Foreign Relations with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. GORTON:

S. 2749. A bill to authorize, within available funds, the construction of a bridge approach at Clarkston, Wash.; to the Committee on Environment and Public Works.

By Mr. HAYAKAWA:

S. 2750. A bill for the relief of You-xing Zhou Ling; to the Committee on the Judiciary.

By Mr. INOUYE:

S 2751. A bill to authorize the sale of certain fish in the State of Hawaii; to the Committee on Commerce, Science, and Transportation.

By Mr. McCLURE: (by request):

S. 2752. A bill to amend the Pennsylvania Avenue Development Corporation Act of 1972 to authorize appropriations and further borrowings for implementation of the development plan for Pennsylvania Avenue between the Capitol and the White House, and for other purposes; to the Committee on Energy and Natural Resources.

S. 2753. A bill to amend the Federal Land Policy and Management Act of 1976, relating to the authority of the Secretary of the Interior to accept volunteer services in the aid of the work of the Bureau of Land Management, and for other purposes; to the Committee on Energy and Natural Resources.

S. 2754. A bill to amend the act of August 7, 1961, providing for the establishment of Cape Cod National Seashore, Mass., as amended; to the Committee on Energy and Natural Resources.

S. 2755. A bill to amend the act of October 21, 1970, establishing the Sleeping Bear Dunes National Lakeshore, Mich., as amended; to the Committee on Energy and Natural Resources.

S. 2756. A bill to amend the act of October 26, 1972 (86 Stat. 1181), as amended, to increase the authorization of appropriations for Perry's Victory and International Peace Memorial National Monument, and for other purposes; to the Committee on Energy and Natural Resources.

S. 2757. A bill to amend the act of March 10, 1966, providing for the establishment of Cape Lookout National Seashore, N.C., as amended; to the Committee on Energy and Natural Resources.

S. 2758. A bill to amend the Land and Water Conservation Fund Act of 1965, as amended, to dedicate certain fees to the protection and improvement of facilities and resources of the national park system, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. McCLURE (for himself and Mr. WARNER) (by request):

S. 2759. A bill to provide financial assistance to the Wolf Trap Foundation for the Performing Arts for reconstruction of the Filene Center in Wolf Trap Farm Park and for other purposes; to the Committee on Energy and Natural Resources.

STATEMENT ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. GORTON (for himself and Mr. JACKSON):

S. 2749. A bill to authorize, within available funds, the construction of a bridge approach at Clarkston, Wash.; to the Committee on Environment and Public Works.

LEWISTON-CLARKSTON BRIDGE APPROACH

● Mr. GORTON. Mr. President, today Senator JACKSON and I are introducing legislation which would authorize, within available funds, the construction of a bridge approach at Clarkston, Wash. The Army Corps of Engineers is currently constructing a bridge over the Snake River from Clarkston, Wash. to Lewiston, Idaho. The bridge will be completed in November. The legislation authorizing the construction of this bridge did not include an authorization for construction of this necessary approach ramp. This bridge approach connection is essential to the bridge access plan, and will assure a good and orderly flow of traffic in Clarkston. The approach can be built within the spending limit which was authorized for the bridge alone, because it will not be necessary to obligate the total authorization to complete the bridge. In other words, the legislation we are introducing today will not result in an outlay in excess of that already contemplated. It simply redefines the bridge project limits to include the approach ramp, thereby allowing the expenditure of authorized funds for this purpose.

I believe that this bill will accomplish what is necessary to aid in the completion of the bridge access plan. I look forward to bringing this project to a successful conclusion.●

● Mr. JACKSON. Mr. President, I am pleased to join Senator GORTON in introducing legislation which would redefine the limits of the original Lewiston-Clarkston bridge project.

This legislation is required to permit the U.S. Army Corps of Engineers to construct a 1,600-foot segment of road to connect the Lewiston-Clarkston bridge with 16th Avenue in Clarkston, Wash.

I understand that this legislation will require no additional appropriations and I am hopeful that the Senate Public Works Committee will move quickly on this measure.

Mr. President, I ask unanimous consent that the text of the bill, together with a letter from Charles Collins, chairman of the Asotin County Commissioners, be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 2749

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Section 164 of Public Law 94-587 (90 Stat. 2917 et seq.), as amended, is amended further by adding at the end of such section the following sentence: "Within sums available under this section, the Secretary is authorized to construct an approach roadway from the end of the Washington State Route 129 overpass of the bridge authorized by this section to 16th Avenue in the City of Clarkston, Washington."

ASOTIN COUNTY,
Asotin, Wash., June 1, 1982.

Re: Lewiston-Clarkston Bridge.

Hon. HENRY JACKSON,
Russell Senate Office Building,
Washington, D.C.

DEAR SENATOR JACKSON: Again we find we must seek your help in obtaining an acceptable finished bridge project. On March 15, 1982, after being advised that at least $750,000 of the $23.2 million authorized for the design and construction of the new Lewiston-Clarkston Bridge would not be spent, Asotin County and the City of Clarkston made a request to the U.S. Army Corps of Engineers to utilize the excess funds for the design and construction of an extension of the bridge centerline. The extension would follow the bridge centerline Westerly approximately 1,600 feet to an intersection with 16th Avenue, an existing County Road. The present project terminates at SR 129, a State Highway, and does not accommodate thru-traffic movements nor does it connect directly to the local street system. A copy of the Clarkston Urban Area map which shows the requested extension in red is attached for your reference.

Our request was flatly denied by the Corps of Engineers because it was their opinion that the extension was beyond the legislative intent. After meeting with the Corps representatives concerning their opinion, we were advised that the legislative intent was defined by Design Memorandum No. 41 dated October, 1978 and said document was approved by all local agencies. Although we did approve the Design Memorandum, we were not aware that such approval would prevent the construction of this approach extension of funds were available. Prior to our approval we objected strenuously to the omission of this approach and approved of the document only after cost estimates were presented which indicated the basic project cost would exceed the authorized spending limit. The approach extension was and still is a vital link in the bridge access scheme.

Now we seem to be in a Catch 22 situation i.e., we need the approach connection but have no local funds for construction, and

the Corps of Engineers has spending authority, but cannot perform work beyond the project limits set by Design Memorandum No. 41. Therefore, your assistance is requested in supplying a solution to the dilemma.

Very truly yours,

CHARLES S. COLLINS,
Chairman, Asotin County Commissioners.●

By Mr. INOUYE:

S. 2751. A bill to authorize the sale of certain fish in the State of Hawaii; to the Committee on Commerce, Science, and Transportation.

SALE OF CERTAIN FISH IN HAWAII

● Mr. INOUYE. Mr. President, today I am introducing legislation to help canners in the State of Hawaii obtain a sufficient volume of competitively priced tuna to run a viable business.

Under existing Federal law, the Nicholson Act (46 U.S.C. 251) prohibits the landing of fish by a foreign-flag vessel in the United States if they are caught by a foreign-flag vessel on the high seas. The only exception is for fish landed in the United States pursuant to a treaty or convention to which the United States is a party. Because of this prohibition, the Hawaiian Tuna Packers cannot supplement its American-caught tuna with foreign-caught tuna to provide an adequate supply of raw fish for its cannery.

The Hawaiian cannery presently employs 420 people, with a payroll of over $5 million a year. In addition, it purchases approximately 2 million dollars' worth of fish from Hawaiian fishermen and is the only major market for the catch not sold at the daily fresh fish auction. The economic contribution of the cannery is even greater when one considers the taxes paid and materials purchased in Hawaii.

The bill I am introducing would help provide an adequate supply of tuna by allowing Asian fishing vessels to land their catch in Hawaii. Asian fishing vessels catch about 536,000 short tons of tuna in the Pacific Ocean each year. Two Japanese fleets, gillnetters, and sashimi longliners, operate near Hawaii and could provide about 15,500 tons of albacore annually. The sashimi longliners would be pleased to sell their albacore, which is a less desirable catch in Japan than other species of tuna, in nearby Hawaii rather than ship the fish all the way back to their home ports. The State of Hawaii would of course be pleased by the economic benefits that would accrue to the State's population.

Mr. President, I commend this bill to my colleagues and ask unanimous consent that its full text be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2751

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That notwithstanding the provisons of section 4311 of the Revised Statutes of the United States, as amended (46 U.S.C. 251), Japanese flag vessels shall be permitted to land tuna in the State of Hawaii.●

By Mr. McCLURE (by request):

S. 2752. A bill to amend the Pennsylvania Avenue Development Corporation Act of 1972 to authorize appropriations and further borrowings for implementation of the development plan for Pennsylvania Avenue between the Capitol and the White House, and for other purposes; to the Committee on Energy and Natural Resources.

PENNSYLVANIA AVENUE DEVELOPMENT CORPORATION

● Mr. McCLURE. Mr. President, at the request of the administration, I send to the desk for appropriate reference a bill to amend the Pennsylvania Avenue Development Corporation Act of 1972 to authorize appropriations and further borrowings for implementation of the development plan for Pennsylvania Avenue between the Capitol and the White House, and for other purposes.

Mr. President, this draft legislation was submitted and recommended by the Pennsylvania Avenue Development Corporation. I ask unanimous consent that the bill and the executive communication from Max N. Berry, Chairman of the Corporation be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 2752

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Pennsylvania Avenue Development Corporation Act of 1972 (86 Stat. 1266, as amended, 40 U.S.C. 871), is amended further as follows:

1. By striking in paragraph (10) of section 6, the figure "100,000,000" and inserting in lieu thereof "120,000,000.".

2. By adding at the end of section 17(a), "There are further authorized to be appropriated for operating and administrative expenses of the Corporation sums not to exceed $3,250,000, each, for the fiscal years ending September 30, 1984, September 30, 1985, September 30, 1986, September 30, 1987, and September 30, 1988.".

PENNSYLVANIA AVENUE
DEVELOPMENT CORPORATION,
Washington, D.C., February 24, 1982.

Hon. GEORGE BUSH,
Vice President of the United States, President of the Senate, Dirksen Office Building, Washington, D.C.

DEAR MR. VICE PRESIDENT: One of the three appropriation requests for the Pennsylvania Avenue Development Corporation presented in the President's Budget Appendix for FY 1983 will require an increase in the authorized funding level. The Corporation's authorized level of borrowing from the U.S. Treasury for Land Acquisition and Development is presently $100,000,000; to date over $99,000,000 in borrowing authority has been appropriated.

Additionally, the Corporation's authorization for Salaries and Expenses' appropriations expires at the end of FY 1983.

The enclosed draft authorization bill is respectfully submitted for your consideration and support, so that the PADC may be able to receive the additional budget authority it requires in FY 1983 (for land acquisition) and in future fiscal years (for land acquisition and salaries and expenses).

The Office of Management and Budget has advised us that there is no objection from the standpoint of the administration's program to the submission of this draft legislation to the Congress, and that its enactment would be in accord with the President's budget.

Thank you.

Sincerely,

MAX N. BERRY,
Chairman.●

By Mr. McCLURE (by request):

S. 2753. A bill to amend the Federal Land Policy and Management Act of 1976, relating to the authority of the Secretary of the Interior to accept volunteer services in aid of the work of the Bureau of Land Management, and for other purposes; to the Committee on Energy and Natural Resources.

BUREAU OF LAND MANAGEMENT VOLUNTEERS

● Mr. McCLURE. Mr. President, at the request of the administration, I send to the desk for appropriate reference a bill to amend the Federal Land Policy Management Act of 1976, relating to the authority of the Secretary of the Interior to accept volunteer services in aid of the work of the Bureau of Land Management, and for other purposes.

Mr. President, this draft legislation was submitted and recommended by the Department of the Interior, and I ask unanimous consent that the bill and the executive communication which accompanied the proposal from the Assistant Secretary of the Interior be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 2753

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 307 of the Federal Land Policy and Management Act of 1976 (90 Stat. 2766; 43 U.S.C. 1737) is amended by adding at the end thereof the following new subsections:

"(d) The Secretary may recruit, without regard to the civil service classification laws, rules or regulations, the services of individuals contributed without compensation as volunteers for aiding in or facilitating the activities administered by the Secretary through the Bureau of Land Management.

"(e) In accepting such services of individuals as volunteers, the Secretary—

"(1) shall not permit the use of volunteers in firefighting or law enforcement work, or in policymaking process or to displace any employee; and

"(2) may provide for services or costs incidental to the utilization of volunteers, including transportation, supplies, lodging, subsistence, recruiting, training, and supervision.

"(f) Volunteers shall not be deemed employees of the United States except for the purposes of the tort claims provisions of title 28, United States Code, and subchapter I of chapter 81 of title 5, United States Code, relating to compensation for work injuries.".

DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., April 27, 1982.

Hon. GEORGE BUSH,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: There is enclosed a draft bill "To amend the Federal Land Policy and Management Act of 1976, relating to the authority of the Secretary of the Interior to accept volunteer services in aid of the work of the Bureau of Land Management, and for other purposes."

We recommend that the draft bill be introduced and referred to the appropriate committee, and that it be enacted.

Congress has provided authority to the Secretary of the Interior to use volunteer services in aid of the work of two agencies in the Department, and to pay expenses incidental to accepting these contributed services. This authority was provided for the National Park Service in the Volunteers in the Parks Act of 1969 (84 Stat. 472; 16 U.S.C. 18g-j), and for the U.S. Fish and Wildlife Service in the Fish and Wildlife Improvement Act of 1978 (92 Stat. 3112; 16 U.S.C. 742f). In addition, comparable authority was provided to the U.S. Forest Service in the Volunteers in the National Forest Act of 1972 (86 Stat. 147; 16 U.S.C. 558a-d). We believe that similar legislation would greatly facilitate and enhance the work of the Bureau of Land Management in managing, protecting and developing the public lands.

While section 307 of the Federal Land Policy and Management Act of 1976 (90 Stat. 2766; 43 U.S.C. 1737) authorizes the Secretary to accept services contributed to the Bureau of Land Management by volunteers, the draft bill is needed to authorize payment of incidental expenses and to clarify the status of volunteers under Federal employment laws. The draft bill would not provide for compensation for volunteers. The Bureau would be authorized to provide for incidental services and expenses such as supplies for and supervision of the volunteer's work. Volunteers would not be considered Federal employees, except for purposes of the tort claims provisions of title 28, United States Code, and statutes pertaining to compensation for on-the-job work injuries (5 U.S.C. 8101-8151). Except for its provisions relating to work injuries, the provisions of title 5, United States Code, relating to Federal employees—such as classification standards and those provisions setting rates compensation, unemployment compensation, and Federal employee benefits—would not apply to volunteers.

Volunteer work is a traditional aspect of American life—one that is associated with good citizenship and that has contributed much to improve our communities, educational, cultural and health services, and our parks recreation areas, and forests. We believe this traditional form of citizen energy could be particularly useful in assisting the Bureau of Land Management in its functions: managing, conserving and developing the country's public lands and their natural resources for the benefit of the public. We believe many citizens—from high school and college students to retired people. both highly skilled and relatively unskilled—would find satisfying opportunities for public service by assisting as volunteers on the public lands.

During fiscal year 1981, 8,326 "Volunteers in Parks" contributed to the National Park Service some 226 person-years of work valued at approximately $4 million. For the same fiscal year, the Forest Service estimates that, in its "Volunteers in the National Forests" program, about 16,450 citizens donated 761 person-years of work worth $8.2 million. The Fish and Wildlife Service volunteers program is expected to return similar benefits when it is in full operation.

The Bureau of Land Management has a substantial backlog of necessary conservation, development, and other resource management work for which volunteers would be useful, including brush control, range seeding, historic site restoration, archaeological, geological and biological investigations, trail, fence and campground construction and maintenance, tree planting and timber surveys, soil conservation and stream improvement work, and water quality testing. Volunteers would not be used for policymaking activities or for hazardous duties such as firefighting or law enforcement. As shown by the years of experience in the Park Service and Forest Service in similar programs, expenses for a volunteer program by the Bureau of Land Management would be minor in relation to the value of the services to be contributed. Because the Bureau would expect to pay the incidental expenses involved from regular appropriations categories and levels, enactment of this proposed legislation would not result in added government outlays.

In view of the tremendous amount of work that is needed on the public lands, and the necessary budget constraints in the foreseeable future, we strongly recommend enactment of the draft bill.

The Office of Management and Budget has advised that there is no objection to the submission of this proposed legislation from the standpoint of the Administration's program.

Sincerely,

GARRY E. CARRUTHERS,
Assistant Secretary.●

By Mr. McCLURE (by request):

S. 2754. A bill to amend the act of August 7, 1961, providing for the establishment of Cape Cod National Seashore, Mass., as amended; to the Committee on Energy and Natural Resources.

CAPE CODE NATIONAL SEASHORE

● Mr. McCLURE. Mr. President, at the request of the administration, I send to the desk for appropriate reference a bill to amend the act of August 7, 1961, providing for the establishment of Cape Cod National Seashore, Mass., as amended.

Mr. President, this draft legislation was submitted and recommended by the Department of the Interior, and I ask unanimous consent that the bill and the executive communication which accompanied the proposal from the Acting Secretary of the Interior be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 2754

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 9 of the Act entitled "An act to provide for the establishment of Cape Cod National Seashore", approved August 7, 1961 (Public Law 87-126; 75 Stat. 293), as amended by the Act of May 14, 1970 (Public Law 91-252; 84 Stat. 216), is further amended by striking "$33,500,000" and inserting in lieu thereof $40,567,575".

OFFICE OF THE SECRETARY,
Washington, D.C., April 14, 1982.

Hon. GEORGE BUSH,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: Enclosed is a draft bill "To amend the Act of August 7, 1961, providing for the establishment of Cape Cod National Seashore, Massachusetts, as amended."

We recommend that the enclosed draft bill be referred to the appropriate committee for consideration, and that it be enacted.

The draft bill would amend section 9 of the Act of August 7, 1961 (P.L. 87-126; 75 Stat. 293), as amended by the Act of May 14, 1970 (P.L. 91-252; 84 Stat. 216), by striking the current authorization ceiling for land acquistion at Cape Cod National Seashore. The entire $33,500,000 currently authorized for land acquisition has been appropriated, and an additional $567,575 has been expended pursuant to the authority granted under P.L. 95-42. The land acquisition component of the Department's fiscal year 1983 budget request for the National Park Service includes $6,500,000 to pay anticipated deficiency awards from currently pending condemnation cases involving Cape Cod, all of which would be in excess of the authorized ceiling. Thus, in place of the current ceiling on authorizations, the draft bill would establish a new ceiling of $40,567,575.

This Department will shortly begin to implement a new land protection policy that will emphasize alternatives to Federal acquisition and, we expect, result in reduced acquisition costs. We therefore recommend enactment of the enclosed draft bill to facilitate the active land acquisitions at Cape Cod National Seashore.

The Office of Management and Budget has advised that there is no objection to the presentation of this draft bill from the standpoint of the Administration's program.

Sincerely,

DONALD PAUL HODEL,
Acting Secretary.●

By Mr. McCLURE (by request):

S. 2755. A bill to amend the act of October 21, 1970, establishing the Sleeping Bear Dunes National Lakeshore, Mich., as amended; to the Committee on Energy and Natural Resources.

SLEEPING BEAR DUNES NATIONAL LAKESHORE

● Mr. McCLURE. Mr. President, at the request of the administration, I send to the desk for appropriate reference a bill to amend the act of October 21, 1970, establishing the Sleeping Bear Dunes National Lakeshore, Mich., as amended.

Mr. President, this draft legislation was submitted and recommended by the Department of the Interior, and I ask unanimous consent that the bill

and the executive communication which accompanied the proposal from the Acting Secretary of the Interior be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 2755

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 15 of the Act of October 21, 1970 (Public Law 91-479; 84 Stat. 1080), as amended by the Act of October 26, 1974 (Public Law 93-477; 88 Stat. 1445), is further amended by striking "$57,753,000" and inserting in lieu thereof "$67,449,557".

U.S. DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., April 14, 1982.

Hon. GEORGE BUSH,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: Enclosed is a draft bill "To amend the Act of October 21, 1970, establishing the Sleeping Bear Dunes National Lakeshore, Michigan, as amended."

We recommend that the enclosed draft bill be referred to the appropriate committee for consideration, and that it be enacted.

The draft bill would amend section 15 of the Act of October 21, 1970 (P.L. 91-479; 84 Stat. 1080), as amended by the Act of October 26, 1974 (P.L. 93-477; 88 Stat. 1445), by striking the $57,753,000 ceiling for land acquisition at Sleeping Bear Dunes National Lakeshore, Michigan. That entire authorization for land acquisition has been appropriated, and an additional $1,296,557 has been expended pursuant to authority granted under Public Law 95-42. The land acquisition component of the Department's fiscal year 1983 budget request for the National Park Service includes an additional $8,400,000 to pay anticipated deficiency awards from currently pending condemnation cases involving Sleeping Bear Dunes. Thus, in place of the current ceiling on authorizations, the draft bill would establish a new ceiling of $67,449,557.

This Department will shortly begin to implement a new land protection policy initiative that will emphasize alternatives to Federal acquisition and, we expect, result in reduced acquisition costs. We therefore recommend enactment of the enclosed draft bill to facilitate the active land acquisitions at Sleeping Bear Dunes National Seashore.

The Office of Mangement and Budget has advised that there is no objection to the presentation of this draft bill from the standpoint of the administration's program.

Sincerely,

DONALD PAUL HODEL,
Acting Secretary.●

By Mr. McCLURE (by request):

S. 2756. A bill to amend the act of October 26, 1972 (86 Stat. 1181), as amended, to increase the authorization of appropriations for Perry's Victory and International Peace Memorial National Monument, and for other purposes; to the Committee on Energy and Natural Resources.

PERRY'S VICTORY AND INTERNATIONAL PEACE MEMORIAL NATIONAL MONUMENT

● Mr. McCLURE. Mr. President, at the request of the administration, I send to the desk for appropriate reference a bill to amend the act of October 26, 1972 (86 Stat. 1181), as amended, to increase the authorization of appropriations for Perry's Victory and International Peace Memorial National Monument, and for other purposes.

Mr. President, this draft legislation was submitted and recommended by the Department of the Interior, and I ask unanimous consent that the bill and the executive communication which accompanied the proposal from the Acting Secretary of the Interior be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 2756

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 4 of the Act of October 26, 1972 (86 Stat. 1181), as amended by section 101, paragraph (21), of the Act of November 10, 1978 (92 Stat. 3472), is further amended by striking the phrase "not more than $9,327,000" and inserting in lieu thereof "$9,825,000".

Sec. 2. Section 5 of the Act of June 2, 1935 (49 Stat. 1393; 16 U.S.C. 433e) is hereby repealed.

U.S. DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., March 31, 1982.

Hon. GEORGE BUSH,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: Enclosed is a draft bill "To amend the Act of October 26, 1972 (86 Stat. 1181), as amended, to increase the authorization of appropriations for Perry's Victory and International Peace Memorial National Monument, and for other purposes."

We recommend that the enclosed draft bill be referred to the appropriate committee for consideration, and that it be enacted.

The draft bill would amend section 4 of the Act of October 26, 1972 (86 Stat. 1181), as amended by section 101, paragraph (21), of the Act of November 10, 1978 (P.L. 95-625; 92 Stat. 3472), by striking the current $9,327,000 authorization level for development at Perry's Victory in favor of an authorization for $9,825,000. Also included in the draft bill is a technical amendment repealing section 5 of the Act of June 2, 1936 (16 U.S.C. 433e), which authorized the National Park Service to hire employees of the Perry's Victory Memorial Commission for purposes of administering and operating the park. Inasmuch as the Commission was abolished pursuant to the Act of October 26, 1972, there is no reason to continue this authority.

Perry's Victory and International Peace Memorial is located on South Bass Island, Ohio, in Lake Erie. The memorial consists of some 26 acres of land on which a Greek Doric column, 352 feet in height, was constructed between 1912 and 1915 to commemorate Commodore Oliver Perry's decisive victory in the Battle of Lake Erie on September 10, 1813, and the years of peace between the United States and Canada since the War of 1812. The column is the tallest structure of its kind in the world.

Severe weather and wave action over the past sixty years have badly damaged the park's seawalls, as well as the internal structural integrity and exterior of the column. The Act of October 26, 1972, set a development ceiling for the park of $5,177,000, principally to cover the cost of repairing this damage. Rising construction costs forced Congress to raise the ceiling to $9,327,000 in the Act of November 10, 1978. Much of the repair work has been completed, including reconstruction of the seawalls. The second phase of rehabilitation will include repair work on the column itself. Critical to this effort will be the installation of waterproof barriers and dehumidifiers to prevent a recurrence of water damage. The total cost of this second phase is $2,444,000. Funding for this work is being sought by this Department as part of the Park Restoration and Improvement Program portion of our Fiscal Year 1983 budget request.

Under the 1978 development authorization, only $1,946,000—or $498,000 less than the amount required to complete Phase II of the restoration project—remains available for appropriation. Consequently, we recommend enactment of the enclosed draft bill authorizing the appropriation of $9,825,000 for the planned development work at Perry's Victory and International Peace Memorial.

The Office of Management and Budget has advised that there is no objection to the presentation of this draft bill from the standpoint of the Administration's program.

Sincerely,

DONALD PAUL HODEL,
Acting Secretary.●

By Mr. McCLURE (by request):

S. 2757. A bill to amend the act of March 10, 1966, providing for the establishment of Cape Lookout National Seashore, N.C., as amended; to the Committee on Energy and Natural Resources.

CAPE LOOKOUT NATIONAL SEASHORE

● Mr. McCLURE. Mr. President, at the request of the administration, I send to the desk for appropriate reference a bill to amend the act of March 10, 1966, providing for the establishment of the Cape Lookout National Seashore, N.C., as amended.

Mr. President, this draft legislation was submitted and recommended by the Department of the Interior, and I ask unanimous consent that the bill and the executive communication which accompanied the proposal from the Acting Secretary of the Interior be printed in the RECORD.

There being no objection, the materiel was ordered to be printed in the RECORD, as follows:

S. 2757

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the first sentence in section 8 of the Act of March 10, 1966 (P.L. 89-366; 80 Stat. 33), as added by the Act of October 26, 1974 (P.L. 93-477; 88 Stat. 1445), is amended by striking "$7,903,000" and inserting in lieu thereof "$9,903,000".

U.S. DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., April 14, 1982.

Hon. THOMAS P. O'NEILL, JR.,
Speaker of the House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: Enclosed is a draft bill "To amend the Act of March 10, 1966, pro-

viding for the establishment of Cape Lookout National Seashore, North Carolina, as amended."

We recommend that the enclosed draft bill be referred to the appropriate committee for consideration, and that it be enacted.

The draft bill would amend section 8 of the Act of March 10, 1966 (80 Stat. 33; 16 U.S.C. 459g), as amended by the Act of October 26, 1974 (P.L. 93-477; 88 Stat. 1445), by striking the current $7,903,000 ceiling on authorizations for land acquisition at Cape Lookout National Seashore, North Carolina. That entire authorization amount has already been appropriated. In place of the current ceiling on authorizations, the draft bill would establish a new ceiling of $9,903,000. The new authorization ceiling would provide authority for appropriation of the $2,000,000 included for Cape Lookout in the National Park Service land acquisition component of the Department's fiscal year 1983 budget request. This appropriation would fund anticipated deficiency awards from currently pending condemnation cases involving Cape Lookout.

This Department will shortly begin implementing a new land protection policy initiative which will emphasize alternatives to Federal acquisition, and which, we expect, will result in reduced acquisition costs. We therefore recommend enactment of the enclosed draft bill to facilitate the active land acquisitions at Cape Lookout National Seashore.

The Office of Management and Budget has advised that there is no objection to the presentation of this draft bill from the standpoint of the Administration's program.

Sincerely,

DONALD PAUL HODEL,
Acting Secretary.●

By Mr. McCLURE (by request):

S. 2758. A bill to amend the Land and Water Conservation Fund Act of 1965, as amended, to dedicate certain fees to the protection and improvement of facilities and resources of the National Park System, and for other purposes; to the Committee on Energy and Natural Resources.

NATIONAL PARK SYSTEM FEE DEDICATION AND PARK IMPROVEMENT ACT OF 1982

● Mr. McCLURE. Mr. President, at the request of the administration, I send to the desk for appropriate reference a bill to amend the Land and Water Conservation Fund Act of 1965, as amended, to dedicate certain fees to the protection and improvement of facilities and resources of the National Park System, and for other purposes.

Mr. President, this draft legislation, entitled the "National Park System Fee Dedication and Park Improvement Act of 1982," was submitted and recommended by the Department of the Interior. I ask unanimous consent that the bill and the executive communication which accompanied the proposal from the Secretary of the Interior be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 2758

Be it enacted by the Senate and the House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "National Park System Fee Dedication and Park Improvement Act of 1982."

PURPOSES

SEC. 2. The purposes of this Act are to—

(a) augment the sources of funding available to the National Park System and provide dedicated revenues received from fees for admission or entrance to the National Park System to assist the National Park Service in repairing, maintaining and improving visitor facilities and services in units of the National Park System, and in restoring, protecting and preserving natural and cultural resources in such units;

(b) insure that those persons entering National Park System areas pay an appropriate share of the cost of the services and facilities provided to them; and

(c) allow for the adjustment of current visitor fees, to compensate for the impact of inflation since entrance and admission fees were last increased, and return such increased funds back to the National Park System for use in operating, maintaining and improving areas and facilities.

FEE DEDICATION

SEC. 3. Section 4(a) of the Land and Water Conservation Fund Act of 1965 (16 U.S.C. 460 1-6a(a)), as amended, is further amended by the addition of the following new paragraphs at the end thereof:

"(6) Notwithstanding any other provision of law, all receipts collected from fees or permits for admission or entrance to the National Park System shall be covered into a special account established in the Treasury of the United States; shall be available, subject to appropriation; and shall be applied to the repair, maintenance and improvement of facilities, the provision of safety and services, and the restoration, protection and preservation of natural and cultural resources, for the benefit and enjoyment of visitors to the National Park System.

"(7) Notwithstanding any other provision of law, the Secretary of the Interior is authorized to: (A) increase or decrease existing entrance and admission fees within the National Park System by such amounts as deemed appropriate, but not to exceed that amount necessary to adjust for inflation since 1972, to the nearest dollar; (B) establish entrance or admission fees at those units of the National Park System where such fees are not currently being collected, and at Park System units designated after the date of enactment of this Act, if appropriate and consistent with criteria established in section 4(a) of this Act, in amounts not to exceed those levels set in accordance with subpart (A) of this paragraph, calculated to the nearest dollar; and (C) suspend or forego the collection of entrance or admission fees at individual units of the National Park System, if he finds that the cost of collection of such fees exceeds receipts collected, or if he finds public purposes would not be furthered by fee collection. For the purposes of this paragraph, inflation shall be measured by the change in the Gross National Product Deflator."

U.S. DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., July 1, 1982.

Hon. GEORGE BUSH,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: Enclosed is a draft bill, the "National Park System Fee Dedication and Park Improvement Act of 1982."

We recommend that it be referred to the appropriate committee for consideration, and that it be enacted.

The National Park System has become an increasingly important priority for the American public, and the Administration is committed to providing high quality opportunities through the National Park System. However, over the past several decades, many facilities in our national parks have deteriorated significantly, often creating serious safety and health hazards. Threats to the natural resource base have increased. At the same time, increased costs for maintenance and improvements have eroded the value of funds appropriated for those purposes and have thus contributed to the poor conditions in our national parks. All of this has made it increasingly difficult to provide proper stewardship of the land and the high quality opportunities Americans have come to expect in our national parks.

We believe the enclosed legislation will help to alleviate many of these problems. It would create a special fund, composed of receipts collected from fees for admission to units of the National Park System. This fund would be reserved for improvement, protection, and restoration of park resources and facilities and would supplement normal national park appropriations. It would authorize, but not require, adjustment to fees by an amount not exceeding the rate of inflation. The legislation would also grant the Secretary of the Interior flexibility, within certain limitations, to charge an entrance fee that reflects to a greater degree the costs of providing visitor facilities and services and of protecting the resource base. Finally, the bill would permit the Secretary to decrease fees when necessary, and to suspend collection at individual park system units if the cost of collecting receipts exceeds revenues collected.

The Administration recognizes the importance of the National Park System to the American people and we have sought significant budget increases to protect, restore and improve park facilities and resources. Because of that importance, the current state of our parks, and present economic and budgetary constraints, we believe additional funding, as provided by this draft bill, is required. We are convinced that we will be able to provide better for badly needed maintenance and restoration in our park system if increased funds derived from somewhat higher park fees are returned directly to the National Park System.

The Office of Management and Budget has advised that there is no objection to the submission of this proposed legislation from the standpoint of the Administration's program.

Sincerely,

JIM WATT,
Secretary.●

By Mr. McCLURE (for himself and Mr. WARNER) (by request):

S. 2759. A bill to provide financial assistance to the Wolf Trap Foundation for the Performing Arts for reconstruction of the Filene Center in Wolf Trap Farm Park and for other purposes; to the Committee on Energy and Natural Resources.

FINANCIAL ASSISTANCE FOR WOLF TRAP

● Mr. McCLURE. Mr. President, at the request of the administration, I send to the desk for appropriate reference a bill to provide financial assist-

ance to the Wolf Trap Foundation for the Performing Arts for reconstruction of the Filene Center in Wolf Trap Farm Park and for other purposes.

Mr. President, this draft legislation was submitted and recommended by the Department of the Interior, and I ask unanimous consent that the bill and the executive communication which accompanied the proposal from the Under Secretary of the Interior be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 2759

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Wolf Trap Farm Park Act of 1982."

SEC. 2. The purposes of this Act are to—

(1) allow the Secretary of the Interior to cooperate with the Wolf Trap Foundation (Foundation) for the Performing Arts in the operation of Wolf Trap Farm Park (Park); and

(2) provide financial assistance to the Foundation for reconstruction of the Filene Center in the Park.

SEC. 3. (a) The Secretary of the Interior is authorized to provide to the Foundation, or its designee, on such terms and conditions as he deems appropriate, for reconstruction of the Filene Center in the Park: (1) a grant not to exceed $9,000,000; and (2) a loan not to exceed $9,000,000 to be repaid in full, with interest on any unpaid obligation at a rate determined by the Secretary of the Treasury, taking into consideration current market yields on outstanding marketable obligations of the United States with remaining periods to maturity comparable to the maturity of the loan, plus an allowance adequate, in the judgment of the Secretary of the Interior, to cover the administrative expenses of servicing the loan. In his determination of terms and conditions governing the loan, the Secretary shall fix a term of not more than five years from the date the loan agreement is executed.

(b) For purposes of carrying out the grant and loan under subsection (a) of this section, there are authorized to be appropriated such sums as may be necessary, but not to exceed $18,000,000, and such sums shall remain available until expended.

(c) All right, title and interest in any reconstructed Filene Center in the Park shall vest in the United States. The Secretary of the Interior is authorized to provide support services in the reconstruction of the Filene Center, as requested by the Foundation, on a reimbursable basis, for the purposes of this Act.

(d) The authority conferred in subsection (a) through (c) of this section shall lapse if funds therefor are not appropriated within five years of the date of enactment of this Act.

SEC. 4. Section 3 of the Act of October 25, 1966 (80 Stat. 950) is redesignated as section 4 and the following new section is inserted after section 2:

"SEC. 3. The Secretary of the Interior shall cooperate with the Wolf Trap Foundation for the Performing Arts, organized pursuant to the District of Columbia Nonprofit Corporation Act, and, as a charitable organization, exempted from taxation under section 501(c)(3) of the Internal Revenue Service Code of 1954, in the operation of the Park, under such terms and conditions as the Secretary deems appropriate."

U.S. DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., July 1, 1982.

Hon. GEORGE BUSH,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: Enclosed is a draft bill, the "Wolf Trap Farm Park Act of 1982," to provide financial assistance to the Wolf Trap Foundation for reconstruction of the Filene Center, recently destroyed in a tragic fire.

We recommend that it be introduced and referred to the appropriate committee for consideration and that it be enacted.

Wolf Trap Park for the Performing Arts was established in 1966 in Vienna, Virginia, as a unit of the National Park System. It quickly became a very popular summer experience for thousands of people in the Washington, D.C., area. Its central feature was the Filene Center, an internationally known showcase for the performing arts. This theater was lost in a devastating fire on April 4, 1982, a tremendous loss not only to the Washington area but also to the nation. As a Federal facility, the theater was not insured, and its destruction has meant that the performing arts programs in the park have been curtailed or moved to a temporary structure.

We believe the enclosed legislation will enable the Wolf Trap Foundation to rebuild the theater quickly. It recognizes that the Foundation and the Federal Government are cooperative partners in this endeavor and provides financial assistance to aid in the prompt reconstruction of the Filene Center. The Federal Government will share the costs of reconstruction with the Wolf Trap Foundation by authorizing a grant for $9,000,000 and a loan, with interest, for an additional $9,000,000. We urge your support in this matter.

The Office of Management and Budget has advised that this legislative proposal is in accord with the program of the President.

Sincerely,

DONALD PAUL HODEL,
Under Secretary.●

● Mr. WARNER. Mr. President, Wolf Trap Farm Park was established on 100 acres of land, directly donated by Mrs. Catherine Filene Shouse, together with five usable buildings and funds for the construction of the Filene Center.

The Park has since been operated and maintained as a center for the performing arts and related educational programs, and for recreational use by the general public.

As we are all aware, the Filene Center burned to the ground on April 4, 1982. The Center was a Government-owned building and therefore was not insured. The Federal Government does not carry insurance on its buildings, but acts as a self-insurer. Therefore, technically, the Government is responsible for the complete restoration of the Filene Center.

However, Mr. President, we are all searching for ways to cut the size of the Federal budget—funds for projects such as this, as worthy as they may be, are simply not available.

Therefore, the administration was asked to set a policy concerning Federal funding for the reconstruction of the Filene Center. The Department of the Interior presented such a plan at a hearing I conducted on July 2. This plan is embodied in the legislation we are introducing today.

The plan calls for the Federal Government to cover only one-half of the reconstruction with a grant. The remaining 50 percent of the cost would come in the form of a loan that must be repaid promptly.

The destruction of the Filene Center has spurred a universal resolve to rebuild it as quickly as possible. Under Secretary of the Interior Donald Hadel has stated that a delay in rebuilding the Center, "Would be taken as a dereliction of our duty and an abandonment of Wolf Trap." Everyone from schoolchildren and their parents to corporate leaders—wants to accomplish this without delay. The Wolf Trap Foundation for the Performing Arts and others have launched an extensive, and so far very successful, fundraising drive to rebuild the Center. However, the time required to raise the sums necessary to complete this project makes it doubtful that, without Federal assistance, it could ever be accomplished. The passage of this legislation would demonstrate a congressional commitment to this project and would be extremely helpful to fundraising efforts in the private sector.

Mr. President, it would be sad indeed if we were to abandon our support of the Wolf Trap Center for the Performing Arts. Wolf Trap is the only national park for the performing arts in America. Five and a half million people have enjoyed more than 23,000 artists from throughout this country and abroad in some 900 separate performances of nearly 600 different productions. In addition, millions more enjoyed the series of televised performances called "In Performance at Wolf Trap." The Center could accommodate 3,500 people under the roof with room for a further 3,000 on the lawn. All 6,500 had a clear view of the stage.

Wolf Trap provides a summer site for the National Symphony Orchestra and visiting groups such as the Stuttgart Royal and Joffrey Ballets, the New York City Opera, Metropolitan Opera, and New York, Philadelphia and Chicago Orchestras. Individual artists have ranged from Beverly Sills, Yehudi Menuhin, and Luciano Pavorotti to Tony Bennet, Liza Minelli, Ella Fitzgerald, and Johnny Cash.

Mr. President, I urge my colleagues to support this legislation so that we may construct a facility that will provide a proper setting for the high standards of performance established at Wolf Trap Farm Park.●

ADDITIONAL COSPONSORS

S. 1676

At the request of Mr. PERCY, the name of the Senator from California (Mr. HAYAKAWA) was added as a cosponsor of S. 1676, a bill to enhance the detection of motor vehicle theft and to improve the prosecution of motor vehicle theft by requiring the Secretary of Transportation to issue standards relating to the identification of vehicle parts and components, by increasing criminal penalties applicable to trafficking in stolen vehicles and parts, by curtailing the exportation of stolen vehicles and self-propelled mobile equipment, and by establishing penalties applicable to the dismantling of vehicles for the purpose of trafficking in stolen parts, and for other purposes.

S. 1767

At the request of Mr. CANNON, the name of the Senator from Nevada (Mr. LAXALT) was added as a cosponsor of S. 1767, a bill to transfer certain lands in Clark County, Nev., from the Department of Agriculture to the Frontier Girl Scout Council.

S. 1939

At the request of Mr. GOLDWATER, the name of the Senator from Indiana (Mr. LUGAR) was added as a cosponsor of S. 1939, a bill to amend the Public Health Service Act to establish a National Institute on Arthritis and Musculoskeletal Diseases.

S. 2428

At the request of Mr. MATHIAS, the name of the Senator from Arizona (Mr DECONCINI) was added as a cosponsor of S. 2428, a bill to amend title 18 of the United States Code to strengthen the laws against the counterfeiting of trademarks, and for other purposes.

S. 2554

At the request of Mr. PERCY, the names of the Senator from North Dakota (Mr. ANDREWS), and the Senator from Iowa (Mr. GRASSLEY) were added as cosponsors of S. 2554, a bill to require the Commodity Credit Corporation to dispose of Government-owned stocks of agricultural commodities.

S. 2580

At the request of Mr. MATHIAS, the names of the Senator from Maryland (Mr. SARBANES), and the Senator from Arizona (Mr. DECONCINI) were added as cosponsors of S. 2580, a bill to establish the Christopher Columbus Quincentenary Jubilee Commission.

S. 2700

At the request of Mr. CANNON, the names of the Senator from New York (Mr. MOYNIHAN) was added as a cosponsor of S. 2700, a bill to amend title VXI of the Social Security Act to exclude from resources burial plots and niches and certain funds set aside for burial or cremation expenses for purposes of the supplemental security income program.

S. 2702

At the request of Mr. ANDREWS, the names of the Senator from Maine (Mr. COHEN), the Senator from Alaska (Mr. STEVENS), and the Senator from Arizona (Mr. GOLDWATER) were added as cosponsors of S. 2702, a bill to amend section 8(a) of the Small Business Act to treat businesses owned by Indian tribes as socially and economically disadvantaged small business concerns.

SENATE JOINT RESOLUTION 178

At the request of Mr. HATCH, the names of the Senator from North Carolina (Mr. HELMS) was added as a cosponsor of Senate Joint Resolution 178, a joint resolution to authorize and request the President to proclaim the second week in April as "National Medical Laboratory Week."

SENATE JOINT RESOLUTION 188

At the request of Mr. INOUYE, the name of the Senator from Connecticut (Mr. WEICKER), was added as a cosponsor of Senate Joint Resolution 188, a joint resolution to authorize and request the President to designate March 1, 1983, as "National Recovery Room Nurses Day.".

SENATE CONCURRENT RESOLUTION 113

At the request of Mr. SYMMS, the names of the Senator from Idaho (Mr. MCCLURE), and the Senator from South Carolina (Mr. HOLLINGS) were added as cosponsors of Senate Concurrent Resolution 113, a concurrent resolution recognizing and saluting the Benevolent and Protective Order of the Elks for its leadership in volunteerism in the United States.

AMENDMENT NO. 1952

At the request of Mr. KENNEDY, the name of the Senator from Colorado (Mr. HART) was added as a cosponsor of Amendment No. 1952 intended to be proposed to S. 2222, a bill to revise and reform the Immigration and Nationality Act and for other purposes.

AMENDMENT NO. 1953

At the request of Mr. KENNEDY, the name of the Senator from Colorado (Mr. HART) was added as a cosponsor of Amendment No. 1953 intended to be proposed to S. 2222, a bill to revise and reform the Immigration and Nationality Act, and for other purposes.

AMENDMENT NO. 1956

At the request of Mr. KENNEDY, the name of the Senator from Colorado (Mr. HART) was added as a cosponsor of Amendment No. 1956 intended to be proposed to S. 2222, a bill to revise and reform the Immigration and Nationality Act, and for other purposes.

AMENDMENTS SUBMITTED FOR PRINTING

MISCELLANEOUS TAX ACT OF 1982

AMENDMENT NOS. 1959 AND 1960

(Ordered to be printed and to lie on the table.)

Mr. KASTEN submitted two amendments intended to be proposed by him to the bill (H.R. 4961) to make miscellaneous changes in the tax laws, and for other purposes.

AMENDMENT NOS. 1961 THROUGH 1963

(Ordered to be printed and lie on the table.)

Mr. MATTINGLY submitted three amendments intended to be proposed by him to the bill (H.R. 4961) supra.

AMENDMENT NO. 1964

(Ordered to be printed and lie on the table.)

Mr. DIXON submitted an amendment intended to be proposed by him to the bill (H.R. 4961) supra.

AMENDMENT NOS. 1965 THROUGH 1972

(Ordered to be printed and lie on the table.)

Mr. FORD submitted eight amendments intended to be proposed by him to the bill H.R. 4961, supra.

AMENDMENT NOS. 1973 AND 1974

(Ordered to be printed and lie on the table.)

Mr. LONG submitted two amendments intended to be proposed by him to the bill H.R. 4961, supra.

AMENDMENT NO. 1975

(Ordered to be printed and lie on the table.)

Mr. DIXON (for himself and Mr. NUNN) submitted an amendment intended to be proposed by them to the bill H.R. 4961, supra.

AMENDMENT NO. 1976

(Ordered to be printed and to lie on the table.)

Mr. GORTON submitted an amendment intended to be proposed by him to the bill H.R. 4961, supra.

AMENDMENT NO. 1977

(Ordered to be printed and to lie on the table.)

Mr. BENTSEN submitted an amendment intended to be proposed by him to the bill H.R. 4961, supra.

NOTICES OF HEARINGS

SUBCOMMITTEE ON INTERNATIONAL FINANCE AND MONETARY POLICY

Mr. HEINZ. Mr. President, on Thursday, July 22, 1982, the subcommittee on International Finance and Monetary Policy of the Committee on Banking, Housing, and Urban Affairs will be conducting a hearing on Senate bills S. 2712, S. 2732, and S. 2616. These bills have arisen out of the recent competition for the sale of subway cars to New York City's Metropolitan Transit Authority.

The hearing will examine the recent Treasury Department decision to deny relief under section 1912 of the Export-Import Bank Act to an American producer in competition with a foreign producer benefiting from officially subsidized export credits. The implication of the Treasury decision for mass transit policy, American industrial competitiveness, and the viability of the international arrange-

ment on official export credits will also be considered.

Witnesses will include representatives of industry, labor, and Federal and local governments. The hearing will be held in room 5302 of the Dirksen Senate Office Building, commencing at 1:30 p.m.

SUBCOMMITTEE ON RURAL DEVELOPMENT, OVERSIGHT, AND INVESTIGATIONS

Mr. ANDREWS. Mr. President, as chairman of the Senate Agriculture Subcommittee on Rural Development, Oversight, and Investigations, I wish to announce that a hearing has been scheduled to review the rural development loan programs administered by the Farmers Home Administration. The subcommittee is interested in how FmHA administration of these programs affects overall rural development policy.

The hearing will be held on Tuesday, July 27, beginning at 9:30 a.m. in room 324 Russell Building.

Anyone wishing further information should contact Denise Alexander of the Agriculture Committee staff at 224-2035.

AUTHORITY FOR COMMITTEES TO MEET

SUBCOMMITTEE ON WATER AND POWER

Mr. BAKER. Mr. President, I ask unanimous consent that the Subcommittee on Water and Power, of the Energy Committee, be authorized to meet during the session of the Senate at 10 a.m. on Tuesday, July 20, to consider S. 2568, pertaining to the Dallas Creek portion of the Upper Colorado project.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

RUBLES ON THE BARRELHEAD

● Mr. LUGAR. Mr. President, the Reagan administration is currently considering what type of trade relationship the United States is to have with the Soviet Union. Specifically, the administration is considering how and under what circumstances grain trade is to continue with the Soviet Union.

I am confident that no one doubts that grain exports are an important aspect of the American farm economy. I am confident, too, that no one doubts that a long-term agreement on grain trade offers the United States the best possible protection against disadvantageous buying practices by the Soviet Union.

The reason that a new long-term grain agreement has not already been negotiated lies in the realm of foreign policy and not economics. It has been said that the United States ought not to help the Soviet Union, particularly as long as its repression continues in Poland. It is said, too, that we cannot consistently expect the European nations to restrict their participation in the Soviet natural gas pipeline as long as the United States continues to export grain to the Soviet Union.

But the fact is that U.S. grain trade is a far different enterprise than the natural gas pipeline. U.S. grain trade is not based upon the extension of credit, and it is certainly not based upon the extension of subsidized credit. Grain is traded in exchange for cash. The natural gas pipeline, on the other hand, will be financed at subtantially subsidized rates by West European nations. This point is made clearly in the Wall Street Journal editorial of July 19 entitled "Rubles on the Barrelhead." "The big problem with the Siberian pipeline deal is that it will be financed with Western capital at below-market rates."

The editorial draws the correct conclusion: "If the Europeans sold pipelines on the same terms that the United States sells grain, there would be no problem." The reality is that without European government backing for a substantial portion of credit for the Soviet Union, there would not likely be sufficient private capital forthcoming to construct the gas pipeline at this point.

Our trade relationship with the Soviet Union must be based on a policy which serves our national interest. This requires a policy which is coherent, clear, and consistent. I am hopeful that the administration and Members of the Congress will consider carefully the points raised in the Wall Street Journal editorial, and I ask that it be reprinted in full.

The editorial referred to is as follows:

RUBLES ON THE BARRELHEAD

Our European allies, not to mention critics in the U.S., have been clamorously insisting that there is a huge inconsistency in Reagan administration policy on East-West trade. While we try to torpedo the Siberian gas pipeline deal with Western Europe, the U.S. grain trade continues unabated.

Some wind may go out of that argument in coming days if, as expected, the Reagan administration announces its refusal to negotiate a new long-term agreement with Moscow. Most observers think the administraton, balancing election-year realities against European complaints, will opt for a one-year extension of the agreement, which dates from 1975.

But this isn't likely to silence the complaints, since the Soviets would still be free to buy a lot of U.S. grain in the coming year. The real point that the administration should be trying to make to its critics is that the grain trade/pipline analogy is misplaced. If the Europeans sold pipelines on the same terms that the U.S. sells grain, there would be no problem.

As we have so often said, the big problem with the Siberian pipeline deal is that it will be financed with Western capital at below-market rates. This not only represents a large net transfer of resources to our sworn enemy, it makes the Western financial system vulnerable to future Soviet economic and political demands. When the Europeans made it clear they didn't intend to abide by even the minimal credit restraints of the Versailles communique, Mr. Reagan had no choice but to take the direct action against the pipeline. Ex those subsidies, he would see no huge objection to the pipeline deal—though we question whether there would be any deal.

The U.S. grain sales to the Soviets receive no such credit subsidies. In 1973, the Soviets moved suddenly into the grain markets, not only acting on inside information about their own bad harvest, but taking advantage of U.S. taxpayer-funded programs to subsidize grain exports. This became known as the "Great Grain Robbery," and the U.S. quickly took steps to see that it would not happen again. Indeed, this was the origin of the long-term agreement to stabilize the grain trade—on a non-subsidized basis.

Not only that, but the Soviets do not receive the ordinary Commodity Credit Corp. loans for grain exports, or for that matter subsidies for manufactured goods. This is prevented by the lack of Most Favored Nation status, banned by the Jackson-Vanik amendment on Jewish immigration from the U.S.S.R. Given the purpose of the amendment, its effect is a bit fortuitous; too bad MFN status was not also denied Poland, where the CCC got stuck for a bundle. But nonetheless the U.S., unlike its European allies, has not been given subsidies to the Russians.

What the critics seem to be arguing is that only a grain embargo would make Reagan policy consistent on the pipeline. There may be occasions when a trade embargo is necessary. As a practical matter, however, embargoes seldom seem to work very well; in general, policy seems to work best when it works with the markets, rather than against them.

But this is true of credit subsidies as well. So we see no inconsistency in American policy. We are merely asking the Europeans to impose the same restraints on themselves as the U.S. has for some years. In Soviet trade, the principle should be rubles on the barrelhead. Better yet, hard currency on the barrelhead.●

PROPOSED ARMS SALES

● Mr. PERCY. Mr. President, section 36(b) of the Arms Export Control Act requires that Congress receive advance notification of proposed arms sales under that act in excess of $50 million or, in the case of major defense equipment as defined in the act, those in excess of $14 million. Upon such notification, the Congress has 30 calendar days during which the sale may be prohibited by means of a concurrent resolution. The provision stipulated that, in the Senate, the notification of proposed sales shall be sent to the chairman of the Foreign Relations Committee.

In keeping with my intention to see that such information is available to the full Senate, I ask to have printed in the RECORD at this point the notifications which have been received. Any portion which is classified information has been deleted for publication, but is available to Senators in the office of the Foreign Relations Committee, room 4229, Dirksen Building.

The material referred to follows:

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, D.C., July 1, 1982.
In reply refer to: I-02168/82ct.

Hon. CHARLES H. PERCY,
Chairman, Committee on Foreign Relations, U.S. Senate, Washington, D.C. 20510

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding under separate cover Transmittal No. 82-66, concerning the Department of the Navy's proposed Letter of Offer to Japan for defense articles and services in excess of $50 million. Since most of the essential elements of this proposed sale are to remain classified, we will not notify the news media.

Sincerely,

WALTER B. LIGON,
Acting Director.

TRANSMITTAL No. 82-66

Notice of Proposed Issuance of Letter of Offer Pursuant to Section 36(b) of the Arms Export Control Act.

(i) Prospective purchaser: Japan.

(ii) Total estimated value:

	Millions
Major defense equipment[1]	$16
Other	$74
Total	$90

[1] As defined in Section 47(6) of the Arms Export Control Act.

(iii) Description of articles or services offered: [Deleted.]

(iv) Military department: Navy (AFM).

(v) Sales commission, fee, etc., paid, offered, or agreed to be paid: None.

(vi) Sensitivity of technology contained in the defense articles or defense services proposed to be sold: See annex under separate cover.

(vii) Section 28 report: Case not included in section 28 report.

(viii) Date report delivered to Congress: July 1, 1982.

POLICY JUSTIFICATION

[Deleted.]
[Deleted.]
[Deleted.]
[Deleted.]

The sale of this equipment and support will not affect the basic military balance in the region.

[Deleted.]

Implementation of this sale will require the assignment of one additional U.S. Government employee and five contractor representatives to Japan for nine years.

There will be no adverse impact on U.S. defense readiness as a result of this sale.

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, D.C. July 6, 1982.
In reply refer to: I-02169/82ct.

Hon. CHARLES H. PERCY,
Chairman, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding herewith Transmittal No. 82-67, concerning the Department of the Air Force's proposed Letter of Offer to Japan for defense articles and services estimated to cost $56 million. Shortly after this letter is delivered to your office, we plan to notify the news media.

Sincerely,

WALTER B. LIGON.
Acting Director.

TRANSMITTAL No. 82-67

Notice of Proposed Issuance of Letter of Offer Pursuant to Section 36(b) of the Arms Export Control Act

(i) Prospective purchaser: Japan.

(ii) Total estimated value:

	Millions
Major defense equipment[1]	$44
Other	$12
Total	$56

[1] As defined in Section 47(6) of the Arms Export Control Act.

(iii) Description of articles or services offered: Two C-130H aircraft with spares and support equipment.

(iv) Military department: Air Force (SDU).

(v) Sales commission, fee, etc., paid, offered, or agreed to be paid: None.

(vi) Sensitivity of technology contained in the defense articles or defense services proposed to be sold: None.

(vii) Section 28 report: Case not included in section 28 report.

(viii) Date report delivered to Congress: July 6, 1982.

POLICY JUSTIFICATION

JAPAN—C-130H AIRCRAFT AND SUPPORT

The Government of Japan has requested the purchase of two C-130H aircraft with spares and support equipment at an estimated cost of $56 million.

Japan is one of the major political and economic powers in the East Asia and the Western Pacific and a key partner of the United States in ensuring the peace and stability of that region. It is vital to the U.S. national interest to assist Japan in developing and maintaining a strong and ready self-defense capability which will contribute to an acceptable military balance in the area. This sale is consistent with these U.S. objectives and the 1960 U.S.-Japan Treaty of Mutual Cooperation and Security.

These C-130H aircraft will be used in a transport role in support of the Japan Self Defense Force.

The sale of this equipment and support will not affect the basic military balance in the region.

The prime contractor will be the Lockheed Corporation of Marietta, Georgia.

Implementation of this sale will require the assignment of approximately one additional U.S. Government and three U.S. contractor personnel to Japan for a minimum of one year.

There will be no adverse impact on U.S. defense readiness as a result of this sale.

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, D.C., July 6, 1982.
In reply refer to I-02151/82ct.

Hon. CHARLES H. PERCY,
Chairman, Committee on Foreign Relations, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding herewith Transmittal No. 82-68, concerning the Department of the Army's proposed Letter of Offer to Greece for defense articles and services estimated to cost $47 million. Shortly after this letter is delivered to your office, we plan to notify the news media.

You will also find attached a certification as required by Section 620C(d) of the Foreign Assistance Act of 1961, as amended, that this action is consistent with Section 620C(b) of that statute.

Sincerely,

WALTER B. LIGON,
Acting Director.

TRANSMITTAL No. 82-68

Notice of Proposed Issuance of Letter of Offer Pursuant to Section 36(b) of the Arms Export Control Act

(i) Prospective purchaser: Greece.

(ii) Total estimated value:

	Millions
Major defense equipment[1]	$44
Other	3
Total	47

[1] As defined in Section 47(6) of the Arms Export Control Act.

(iii) Description of articles or services offered: Forty-eight M109A2 155mm self-propelled howitzers with support equipment, spare parts, and services.

(iv) Military department: Army (WPJ).

(v) Sales commission, fee, etc., paid, offered, or agreed to be paid: None.

(vi) Sensitivity of technology contained in the defense articles or defense services proposed to be sold: None.

(vii) Section 28 report: Included in report for quarter ending June 30, 1981.

(viii) Date report delivered to Congress: July 6, 1982.

POLICY JUSTIFICATION

GREECE—HOWITZERS

The Government of Greece had requested the purchase of forty-eight M109A2 155mm self-propelled howitzers with support equipment, spare parts, and services at an estimated cost of $47 million.

This sale will contribute to the foreign policy and national security objectives of the United States by improving the military capabilities of Greece in fulfillment of its NATO obligations; furthering NATO rationalization, standardization, and interoperability; and enhancing the defense of the Western Alliance.

This weapon system is required by the Government of Greece to augment and upgrade medium artillery already on-hand in the Hellenic Army (HA). The HA will have no difficulty in absorbing this weapon system since it already has 51 of the earlier M109A1 configuration howitzers. These items will be provided in accordance with and subject to the limitations on use and transfer provided for under the Arms Export Control Act, as embodied in the terms of the sale.

The sale of this equipment and support will not adversely affect either the basic military balance in the region or U.S. efforts to encourage a negotiated settlement of the Cyprus question.

The prime contractor will be the Bowen-McLaughlin-York Company of York, Pennsylvania.

Implemtation of this sale will require the assignment of no more than two additional U.S. Government or contractor personnel to Greece for a period of about five days.

There will be no adverse impact on U.S. defense readiness as a result of this sale.

UNDER SECRETARY OF STATE FOR SECURITY ASSISTANCE, SCIENCE AND TECHNOLOGY,
Washington, D.C., June 29, 1982.

Pursuant to section 620C(d) of the Foreign Assistance Act of 1961, as amended (the

Act), and the authority vested in me by Department of the State Delegation of Authority No. 145, I hereby certify that the provision to Greece of 48 M109A2 self-propelled howitzers is consistent with the principle contained in section 610C(b) of the Act.

This certification will be made part of the certification to the Congress under section 36(b) of the Arms Export Control Act regarding the proposed sale of the abovenamed articles and is based on the justification accompanying said certification, and of which such justification constitutes a full explanation.

JAMES L. BUCKLEY.

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, D.C., July 13, 1982.
In reply refer to I-20096/82ct.

Hon. CHARLES H. PERCY,
Chairman, Committee on Foreign Relations, U.S. Senate, Washington, D.C

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding herewith Transmittal No. 82-70 and under separate cover the classified annex thereto. This Transmittal concerns the Department of the Air Force's proposed Letter of Offer to Malaysia for defense articles and services estimated to cost $260 million. Shortly after this letter is delivered to your office, we plan to notify the news media of the unclassified portion of this Transmittal.

Sincerely,

WALTER B. LIGON,
Acting Director.

TRANSMITTAL No. 82-70

Notice of Proposed Issuance of Letter of Offer Pursuant to Section 36(b) of the Arms Export Control Act

(i) Prospective purchaser: Malaysia.

(ii) Total estimated value:

	Millions
Major defense equipment [1]	$160
Other	100
Total	260

[1] As defined in Section 47(6) of the Arms Export Control Act.

(iii) Description of articles or services offered: Fourteen F-5E and two F-5F aircraft with government-furnished aeronautical equipment, support equipment, and spares.

(iv) Military Department: Air Force (SDA).

(v) Sales commission, fee, etc., paid, offered, or agreed to be paid: None.

(vi) Sensitivity of technology contained in the defense articles or defense services proposed to be sold: See Annex under separate cover.

(vii) Section 28 report: Included in report for quarter ending June 30, 1982.

(viii) Date report delivered to Congress: July 13, 1982.

POLICY JUSTIFICATION

MALAYSIA—F-5 AIRCRAFT

The Government of Malaysia has requested the purchase of 14 F-5E and two F-5F aircraft with government-furnished aeronautical equipment, support equipment, and spares at an estimated cost of $260 million.

This sale is consistent with the U.S. policy of assisting other nations to provide for their own defense and security. Malaysia, a key member of the Association of Southeast Asian Nations and strategically located along the Strait of Malacca, has assumed a position of regional importance thus supporting reasonable requests for defense articles and services. It is believed that this purchase by Malaysia, part of its planned defense modernization program, will contribute to regional stability and be viewed by moderate neighboring states as evidence of U.S. support for their independence.

Malaysia needs additional fighter aircraft to expand its defensive capabilities in view of Soviet-backed Vietnamese aggression in the area and because of the recent decision of Australia to decrease the number of fighter aircraft based in Malaysia. These newly purchased aircraft will be employed primarily in an air defense role with a backup mission of providing ground attack support for conventional and counter-insurgency operations. The sale will allow the Royal Malaysian Air Force to use existing facilities, supply support arrangements, and technicians. No significant support or operational problems are anticipated.

The sale of this equipment and support will not affect the basic military balance in the region.

The prime contractor will be the Northrop Corporation of Hawthorne, California.

Implementation of this sale will not require the assignment of any additional U.S. Government or contractor personnel to Malaysia.

There will be no adverse impact on U.S. defense readiness as a result of this sale.

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, D.C., July 13, 1982.
In reply refer to I-01804/82ct.

Hon. CHARLES H. PERCY,
Chairman, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding herewith Transmittal No. 82-71 and under separate cover the classified annex thereto. This Transmittal concerns the Department of the Army's proposed Letter of Offer to Singapore for defense articles and services estimated to cost $30 million. Shortly after this letter is delivered to your office, we plan to notify the news media of the unclassified portion of this Transmittal.

Sincerely,

WALTER B. LIGON,
Acting Director.

TRANSMITTAL No. 82-71

Notice of Proposed Issuance of Letter of Offer Pursuant to Section 36(b) of the Arms Export Control Act

(i) Prospective purchaser: Singapore.

(ii) Total estimated value:

	Millions
Major defense equipment [1]	$22
Other	8
Total	30

[1] As defined in Section 47(6) of the Arms Export Control Act.

(iii) Description of articles or services offered: Six AN/TPQ-36 mortar locating radar systems with required support equipment, spare parts, and support services.

(iv) Military department: Army (URK).

(v) Sales commission, fee, etc., paid, offered, or agreed to be paid: None.

(vi) Sensitivity of technology contained in the defense articles or defense services proposed to be sold: See Annex under separate cover.

(vii) Section 28 report: Included in report for quarter ending June 30, 1982.

(viii) Date report delivered to Congress: July 13, 1982.

POLICY JUSTIFICATION

SINGAPORE—AN/TPQ—36 RADAR SYSTEMS

The Government of Singapore has requested the purchase of six AN/TPQ-36 mortar locating radar systems with required support equipment, spare parts, and support services at an estimated cost of $30 million.

This proposed sale will contribute to the foreign policy and national security objectives of the United States by helping to improve the security of a friendly country which is a continuing force for peace and regional stability in Southeast Asia since Singapore's location allows access to both the Indian and Pacific Oceans.

Recognizing that its small size could make Singapore a target of aggression, Singapore's defense strategy has been to make it clear that an attack would be unprofitably expensive. The AN/TPQ-36 mortar locating radar system would enable Singapore forces to locate and bring immediate fire upon enemy mortar, artillery, and rocket-launching positions, silencing them before they can adjust their fire on friendly units and positions. Singapore has both the technical competence and maintenance facilities necessary to absorb the mortar locating radar. This weapons system will enhance Singapore's capability to defend itself and the sea lanes and facilities vital to the free world.

The sale of this equipment and support will not affect the basic military balance in the region.

The prime contractor will be the Hughes Aircraft Corporation of Fullerton, California.

Implementation of this sale will require the assignment of two additional U.S. Government personnel and one contractor representative to Singapore for four months.

There will be no adverse impact on U.S. defense readiness as a result of this sale.●

THE EIGHTH ANNIVERSARY OF THE INVASION OF CYPRUS

● Mr. KENNEDY. Mr. President, today marks the eighth anniversary of the Turkish invasion of the Republic of Cyprus. Thirty thousand Turkish troops continue their illegal occupation of the island, and 200,000 Cypriots remain separated from their homes and land.

The intransigence of Turkey and of the Turkish Cypriots must stop. Instead, they must put forth serious proposals to achieve a just and lasting peace. For such a peace to be lasting, it must recognize the legitimate rights of all Cypriots, Greek and Turkish.

I have urged in the past, and will continue to urge the Reagan administration to press for a settlement that will address with full justice the needs of both parties to the conflict. The United States should support the complete implementation of United Nations Resolution 3212, including the withdrawal of all Turkish military forces from Cyprus, the complete accounting of all those missing as a result of the invasion, the return of all refugees to their homes, the cooperation of all parties in achieving a negotiated solution, with full peace and respect for human rights in Cyprus. I am proud that, at my request, the

Democratic Party has expressed its support for these objectives in both the 1980 platform and the 1982 statement of the National Party Conference.

Mr. President, the people of Cyprus deserve far better than successive anniversaries marking the failure to achieve the withdrawal of Turkish troops from their land. This tragic situation has gone on for too long. Let us strive to insure that the next anniversary we celebrate is one marking the foundation of an independent Cyprus which respects the rights of all its inhabitants.●

KEEPER OF THE FLAME

● Mr. GOLDWATER. Mr. President, too often in the normal day-to-day routine that absorbs so much of our time, we tend to overlook the very reasons for our existence as a free nation. Here, in our Nation's Capital, we are surrounded by symbols that represent the meaning and the power of a free, democratic society. Yet, the most famous of our national symbols stands on an island in the harbor of New York City. The Statue of Liberty is not only a constant reminder of what we are and who we are but it also stands as a beacon of hope for the less fortunate people of the world. In a recent article in the New York Times, Charlie DeLeo described his feelings concerning what this unique monument meant to him and what he felt it symbolized to the world. Mr. DeLeo writes that "this 225-ton woman symbolizes much of what Americans hold dear—the active pursuit of freedom, a generous spirit and the welcoming of all peoples regardless of their backgrounds or circumstances."

Mr. President, I would like to thank the author for having written this article, and I ask that it be printed in the RECORD for my colleagues to enjoy.

The article follows:

[From the New York Times, July 5, 1982]

KEEPER OF THE FLAME

(By Charlie DeLeo)

I've known her since the age of 9 when my fourth-grade teacher took our class of Lower East Side kids on a ferry ride to visit "Miss Liberty." I was spellbound, overawed by the 302-foot (including her pedestal) structure towering above us, giddy over the adventure of climbing the narrow, winding 16-story staircase to the crown. A little fearful, our class gathered in front of the 23 windows in her diadem and stared down at the toylike ships in New York Harbor.

I felt a small shiver during that moment. It was the beginning of a beautiful, mystical relationship. Our teacher explained that this 225-ton woman symbolized much of what Americans hold dear—the active pursuit of freedom, a generous spirit and the welcoming of all peoples regardless of their backgrounds or circumstances.

As I grew older, I visited Miss Liberty on my own, or sometimes a friend and I would go on a summer's day to picnic in her shade and follow her gaze out to sea. Her look, I thought, was serene but resolute. There was an expression of strength and courage sculpted into her features.

In my late teens, I left my home and New York and the guardian of its harbor to go to Vietnam. When I returned home in 1969, I went aimlessly from one job to the next. I couldn't discover why.

On a spring day in 1972, I decided to take the ferry out to Miss Liberty's 12-acre island and collect my thoughts. As the boat plowed through the choppy waters, I felt an urging that I'd never experienced before. But there it was, very insistent. *Ask for a job here!* So, when I stepped off the boat, I walked into the office and did just that, and I was hired on the spot.

As a member of the maintenance crew, I scraped and painted Liberty's spiral staircases, cleaned her windows and replaced them with screens for the warm months, swept her paths and picked up candy wrappers and soda cans left behind by her visitors. Here at last I was caring for something, an intricate part of our heritage. My grandparents were among the throngs standing at a ship's railing, straining to catch the first glimpse of this statue; I feel fortunate to be one of those people responsible for her care.

Sometimes I take a coffee break while perched on one of her eight-foot-long fingers, where I sit in the open air 34 stories above the harbor. What a curious, great sensation to feel the brisk harbor breezes pushing at me and yet all the while feeling secure in that precarious place, secure in the hand of Liberty.

Liberty holds in her left hand a tablet emblazoned with our date of independence, "July IV, MDCCLXXVI." But it is what she holds in her right hand that has consistently fascinated me.

I remember the day, shortly after I began working at the statue, when I unlocked the metal gate leading to her right arm. I slowly climbed the 42-foot ladder—closed to tourists now—leading me through Miss Liberty's arm. The ladder, only 12 inches wide, ended at a trapdoor. I put my shoulder to the hatch and came out to the most glorious view of the Verrazano Bridge, New Jersey flatlands, Brooklyn docks and Manhattan skyscrapers.

There I was, standing just below the torch, its 200 panes of amber glass sending out a 2,000-watt beacon from four high-intensity sodium vapor lamps. I was so drawn to this lofty hideaway with its bird's eye view of God's world that I often took my lunch up there.

My supervisor learned of my frequent trips up to the torch and called me into his office one day. I knew he was going to yell at me because the right arm and torch were off limits.

Instead, he said, "Well, since you're spending so much time up there, I thought we'd just put you in charge of it. You'll have to keep the glass cleaned, check the stairs, maintain the area and see to it that the flame is always burning. What do you say?"

So now I'm the Keeper of the Flame. And I climb up every day to check the lamps and polish the amber panes so that the rays of light will continue to reach as far as possible.

The afternoon sun is high as I look out over the railing—out to the sea and the lands beyond, then over to the mainland with its factories and rows of homes and stiltlike office buildings. I think beyond to the suburbs and to the farms and to the cities and villages beyond them—to all parts of America.

And I say a prayer for all Americans. I pray that we will enjoy the fullness of life in the spirit of liberty; that we will cling to those ideals that have made our country a beacon around the world, and that every man, woman and child will come to know life, liberty and the pursuit of happiness that God intended for us all.●

CYPRUS WILL NOT AND CANNOT BE FORGOTTEN

● Mr. TSONGAS. Mr. President, July 20 marks the eighth anniversary of the Turkish invasion of Cyprus. Today, we must renew our pledge to bring about a prompt and just settlement of the conflict in Cyprus, and restore, at long last, that nation to its own people.

Since 1974, over 200,000 Greek Cypriots live as refugees in their own country; another 2,000 are listed as missing persons. Thirty thousand Turkish troops continue to occupy the island at an enormous cost to the economically distressed Government of Turkey. This situation is a strong deterrent to any solution which may otherwise be reached, and an obvious drain on a military budget heavily supported by U.S. foreign aid dollars. This year President Reagan proposed an increase in military assistance to Turkey of $50 million. Fortunately, the Senate Foreign Relations Committee struck down this amount, and restored $15 million which had been eliminated by President Reagan in aid to Cyprus. Certainly the President's proposal ignored the real needs in Cyprus, and is an insensitive response to the concerns of Greeks, Cypriots, and Greek-Americans alike.

Aside from financial considerations, the unstable situation in Cyprus jeopardizes our security interests in the Eastern Mediterranean and is the major impediment in the restoration of friendly relations between our NATO allies, Greece, and Turkey. The United States can play a role in reducing tension and insuring the return of stability in the region.

We must send a clear message to both Turkey and our own administration—that Cyprus will not and cannot be forgotten. A settlement on Cyprus is essential to its humanitarian and economic goals, as well as to U.S. foreign policy objectives in the Aegean. I remain committed to working for a peaceful resolution to this tragic problem.●

AMERICA'S FREEDOM RIDE

● Mr. LUGAR. Mr. President, on September 17, 1982, America will celebrate the 200th anniversary of the Constitution. In recognition of this historical passing, America's Freedom Ride will be staging a 9,500 mile continuous bicycle journey through all 50 States. This historic journey will begin

August 2 in New York City and culminate on the steps of the National Archives where the Constitution is kept.

It is with great pleasure that I take this opportunity to lend my support to America's Freedom Ride commemoration of the 200th anniversary of the Constitution. After the Declaration of Independence, the next important document in our national history is the Constitution. I appreciate the opportunity to pay tribute to a document unique in the history of the world.

America's Freedom Ride symbolizes several charateristics embodied in our constitutional heritage. As a participatory event, it requires mutual cooperation, individual initiative, and sacrifice. These are hallmarks of the American spirit and have time and again contributed to making ours a great and free Nation. America's Freedom Ride will also serve as an example of the personal and national benefits of improved personal physical fitness.

One of our most pressing problems today is the need for adequate and cost-effective health care. No amount of redistribution or additional Government control will serve to restrain health costs. Self-help and personal responsibility are the only sure routes to reduced costs and a healthier America. Cycling through the cities and countryside will encourage physical fitness and contribute to the development of happy, healthy, and harmonious individuals, and this makes for a stronger Nation.

I am hopeful that America's Freedom Ride will inspire all Americans to experience a more physically fit and productive lifestyle. This celebration should also remind all Americans of the sacrifices made by their ancestors and of their role in contributing to America's hopes for the future.●

CAPTIVE NATIONS WEEK

● Mr. ZORINSKY. Mr. President, this week, July 18–24, marks the 24th observance of Captive Nations Week in this country. With martial law continuing in Poland and the Afghanistan war dragging on, it is more important than ever that we pause at this time to remember the subjugation and enslavement of people under Soviet communism.

There now are more than 30 captive nations in Central Europe, Asia, Africa, Latin America, and within the Soviet Union itself. Their populations total some 1 billion people. But the desire for liberty and independence still lives in the hearts of the overwhelming majority of these conquered residents. And this desire constitutes a powerful deterrent to the wishes of their Communist oppressors.

These freedom-loving people continue to view the United States as the citadel of human freedom and human rights and as the leader in bringing about their ultimate independence.

Let us once again affirm our determination to work for the restoration of freedom for these captives. Their plight and suffering remain in our minds, just as the desire for freedom still burns in their souls. We shall not rest until the heavy yoke of communism is lifted, once and for all, from their shoulders.●

BISHOP JAMES OGLETHORPE PATTERSON

● Mr. METZENBAUM. Mr. President, the Ohio north jurisdiction of the Church of God in Christ is meeting in convention this week in Cleveland at the Calvary Hill Church of God in Christ.

The convention is a special occasion for two important reasons.

First, Mr. President, the convention will observe the 50 anniversary of the establishment of the Ohio north jurisdiction.

Second, the delegates to the convention will celebrate their golden jubilee in the presence of Bishop James Oglethorpe Patterson, the international presiding bishop of the Churches of God in Christ.

Bishop Patterson presides over a church with a worldwide membership of almost 3 million people, making it the world's third largest black voluntary organization.

Bishop Patterson, who was born in a small community in Mississippi in 1912, received his theological training at the Howe School of Religion in Memphis. He was ordained to the ministry in 1935. The first assignment of his long and distinguished career was as pastor to a congregation of only eight members.

It was not long, however, before Bishop Patterson was called upon to assume ever-increasing responsibilities within his church, among them general secretary, member of the board of directors, pastor of Pentecostal Temple, and manager of the publishing house of the Church of God in Christ.

In 1968 Bishop Patterson was elected to be his denomination's presiding bishop. Under his administration, a theological seminary has been established in Atlanta, a system of bible colleges has been created, and a Church of God in Christ hospital fund, a book store, and a thriving publishing house operate out of the Memphis headquarters of the church.

Bishop Patterson's life has been one of utmost dedication and I am pleased to join with Bishop Nobert S. Fields of the Ohio north jurisdiction, the convention delegates and the members of the Calvary Hill Church of God in Christ in welcoming this distinguished religious leader to Cleveland.●

REAGAN ADMINISTRATION OPPOSITION TO NUCLEAR TEST BANS

● Mr. CRANSTON. Mr. President, the reported decision by the Reagan administration yesterday to abandon efforts to achieve a comprehensive ban on nuclear bomb tests demonstrates once again the radical nature of the nuclear arms policies of President Reagan.

President Reagan has already opposed ratification of SALT II, a treaty negotiated under three administrations, Democratic and Republican, and signed by the Presidents of the United States and the Soviet Union.

And the Reagan administration has recently given the green light to commercial use of nuclear weapons grade plutonium around the world as an everyday article of international commerce.

Yesterday's decision against any further efforts toward a nuclear test ban is but another of these steps which isolate the United States in the international community. It places emphasis on an arms buildup instead of on genuine, equitable, balanced arms reductions. Every President since John Kennedy has sought a comprehensive test ban. It is noteworthy that the administration was reluctant to explain its decision or even to announce its conclusion that still more nuclear bomb testing will improve our security because of fears of the reaction of the American people and our allies.

Today the White House has said it will reopen the Threshold Test Ban Treaty already signed and sent to the Senate because it is not satisfied with the extensive verification procedures worked out by the Ford administration and the Soviets. The Reagan administration insists on reopening verification provisions on a treaty—that because of its high threshold for nuclear tests—is relatively easy to verify. This extreme position bodes ill for the success of any arms control negotiations between the Reagan administration and the Soviet Union.●

FRANK P. MOOLIN, JR.

● Mr. MURKOWSKI. Mr. President, just prior to the Independence Day recess, I was saddened to learn of the demise of my friend, Frank P. Moolin, Jr. I had the distinct pleasure of working with Frank on the board of directors of Alaska International Industries for several years. In addition to his duties as chief executive officer of A.I.I., he served as special assistant to Mr. Neil Bergt, chief executive officer of Western Airlines.

Frank Moolin was most widely known for his work on the Alaska pipeline. Frank began working as senior project officer for the pipeline project in 1973 and, within 2 years,

was given full charge of construction—the largest construction project in the history of the free world. Upon completion of the pipeline, he was named construction man of the year.

Frank was a good friend and a fine professional who will be missed by all his friends and colleagues who knew him personally or worked with him.

The Anchorage Times has published an article about Frank Moolin which was an excellent portrayal of his accomplishments and I ask that it be printed at this point in the RECORD:

[From the Anchorage Times; June 30, 1982]

PIPELINE CONSTRUCTION FIGURE DIES OF LEUKEMIA

(By Jeff Berliner)

One of the most important figures in the construction of the trans-Alaska pipeline—Frank P. Moolin Jr.—died Tuesday in Seattle at the University of Washington hospital after a long battle against leukemia. He was 48.

Moolin was a key figure in the Alaska construction industry and was named Construction Man of the Year for the nation in 1976 by Engineering News-Record magazine.

At the time of his death, Moolin was on leave as president and chief executive officer of Alaska International Industries to work as special assistant to Western Airlines chairman Neil Bergt.

Arco Alaska Inc. hired Moolin in 1973 in San Francisco to begin engineering work on the pipeline. A year later he came to Alaska on loan to Alyeska Pipeline Co. He was the senior project manager overseeing a $4.3 billion budget with 400 active contracts. He was responsible for 14,000 workers at the 19 construction camps scattered along the pipeline route.

"Anything involved in pipeline construction—he was in charge of," said Kay Eliason who managed pipeline construction under Moolin's supervision. "He was the most significant person on the project—in complete charge of the entire pipeline construction."

Eliason remembers Moolin as "a very dynamic leader" who worked 20 hours a day. "He could keep more balls in the air than any juggler I've ever seen."

Moolin left his Fairbanks office and went out into the field in the last year of the project—taking personal command of getting the nation's largest private construction project completed.

It was his work in guiding the pipeline construction which earned Moolin the Construction Man of the Year award.

Following pipeline construction, he formed his own firm, Frank Moolin & Associates Inc. It is an energy engineering, management and construction firm working with Alaska International Construction. Both were subsidiaries of AII.

Moolin formed his company with 24 management supervisory personnel who worked under him in the pipeline days. In April 1978, Moolin became president and chief executive officer of AIC and a year and a half later was promoted to the presidency of AII.

AII owner Bergt then wooed Moolin to Los Angeles to help him guide Western Airlines when Bergt was named its chairman.

Before beginning his trans-Alaska pipeline work, Moolin helped supervise the $100 million DuPont Atomic Commission waste storage project.

From 1967-71 Moolin worked for Esso Research and Engineering Co. as project engineer for refineries in France, Singapore and parts of the Far East.

Prior to that; he was one of the four engineers who developed the Bay Area Rapid Transit System (BART) in the San Francisco area.

A Chicago native, Moolin graduated magna cum laude from the University of Illinois in civil engineering. He did graduate work at the Illinois Institute of Technology.

Moolin leaves his wife Ruth, a son Stephen, and a daughter Debra who is getting a civil engineering degree from Syracuse University.

His family is establishing a memorial fund to help up-and-coming civil engineering students. Contributions may be sent to the Frank Patrick Moolin Foundation, 2518 E. Tudor Road, Anchorage.

A private family burial service is being planned in Chicago.●

SERVICE SECTOR JOBS LEAD GOODS PRODUCTION JOBS

● Mr. INOUYE. Mr. President, on several recent occasions, I have brought to the attention of my colleagues articles which I think may be of interest, regarding the service sector and its economic significance.

There is a growing recognition of the importance of the service sector as the principal dynamic sector in the modern U.S. economy. Service jobs are those in which the value added derives from the labor and knowledge and do not yield a manufactured or processed product.

Current job category statistics collected by the Federal Government do not accurately emphasize the importance of services since they include many service jobs in the goods production category and excludes service jobs in retailing, utilities, transportation, and government. Notwithstanding these definitional problems, it is noteworthy that the Department of Labor reports that for the first time jobs in the service sector—consumer, financial, and service industries—have outstripped those in the goods production sector by approximately 300,000.

According to the New York Times, the New York region Commissioner of the Department's Bureau of Labor Statistics has noted, "The shift to a service economy has meant moves increasingly to knowledge workers. It's clear that we're moving into jobs of greater diversity and into jobs that are more interesting."

Much of the loss in the manufacturing sector has been due to the severe recession into which this country has slipped. In the long run, however, there is proceeding a more fundamental restructuring of this Nation's economy toward fewer jobs in manufacturing and increasingly toward services.

I ask that the article from the New York Times be reprinted in the RECORD at this time.

The article follows:

SERVICE INDUSTRIES GAIN IN JOB TOTALS

(By Damon Stetson)

Employment in the consumer, financial and service industries has moved above the job total in the production industry for the first time in the history of the American economy, according to Labor Department data.

By April these industries, the most rapidly growing sectors of the national job market, employed 24.3 million workers, about 300,000 above the number employed in the goods-producing sector, which includes manufacturing, construction and mining.

In discussing what he called an economic milestone, Samuel M. Ehrenhalt, Regional Commissioner of the Bureau of Labor Statistics, said the changed relationship reflected not only the long-term shift toward a more service-oriented economy but also the weakness in goods production that has resulted from the current recession.

JOBS ARE NOT ALL LOW-PAYING

"A substantial proportion of the service-oriented job growth," Mr. Ehrenhalt said, "has been in professional, technical, managerial, administrative and problem-solving sectors. By no means are they primarily in the low-pay end of the job spectrum.

"They range from top-level professionals to clerical and maintenance work. But clerical work and computer operation today require more knowledge than industrial operations, and maintenance work is more mechanized than ever. The shift to a service economy has meant moves increasingly to knowledge workers. It's clear that we're moving into jobs of greater diversity and into jobs that are more interesting."

From April 1981 to last April, employment in goods-producing industries was down by 1.3 million nationwide, compared with a gain of nearly half a million in the service and finance industries, Mr. Ehrenhalt reported.

Other sectors in the economy, including wholesale and retail trade, transportation, public utilities and government, employed 41.6 million people in April, down 280,000 from a year ago.

The continuing trend toward a service-oriented society, Mr. Ehrenhalt said, has been a factor in pulling more and more women into the workplace. The bulk of production jobs are blue-collar and are held by men, he said. But the largest occupational group today is clerical, whereas it used to be blue-collar operatives. Today, he said, 43 percent of men workers and 66 percent of women workers are in white-collar employment.

Many of the jobs in the service, financial and consumer sectors, particularly the more sophisticated jobs, tend to be in urban areas. Mr. Ehrenhalt said. This may offer some hope, he went on, for the revival of the cities and may also mean more interesting and challenging work in contrast to the routines and monotony of factory assembly lines.

The majority of the increases in service and finance employment over the year were in consumer areas such as health and personal services, amusement and recreation, educational and social services and nonprofit membership organizations. The employment totals in these rose by 333,000, or 2.7 percent, to 12,766,000 over the year.

235,000 MORE HEALTH SERVICE JOBS

Most of this rise, Mr. Ehrenhalt said, was in health services, which added 235,000 jobs over the year, to a total of 5,717,000.

Business service employment rose by 47,000 or 1.5 percent to 3,248,000, and financial services, which include banking, credit agencies, securities, insurance and real estate activities, moved up by 44,000, or 0.8 percent, to 5,312,000.

Other services, including automotive and repair, legal, engineering and accounting services, were up 71,000 or 2.9 percent. The largest increase among these in the last year was in legal services, which now employ 552,000 people, 32,700 more than a year earlier. Accounting services have also increased significantly, rising by 19,000 to 358,000 over the year.

In contrast to the increases in the service and finance sectors, Mr. Ehrenhalt said, there were steep recession-related declines in manufacturing, off 1.1 million or 5.5 percent, and construction, down 378,000 or 9.2 percent. But mining jobs rose by 200,000 over the year, mostly reflecting temporarily reduced employment levels in April 1981 resulting from the United Mine Workers strike in the coal industry.

THREE AREAS TRIPLED OVER 30 YEARS

Growth in the consumer, business and financial sectors has tripled in the last three decades, rising by 17 million. As of April, Mr. Ehrenhalt said, these industries accounted for more than 27 percent of all the nation's nonfarm payroll jobs, compared with 16 percent three decades ago. Meanwhile, production employment has fallen from 41 percent to slightly less than the current service figure.

From 1972 to 1981, the sharpest increase in jobs among the consumer, business and financial sectors was in business services, up 1.5 million, or 82 percent. There was a particularly sharp advance for legal services, a part of business services, which was up 261,000, or 96 percent.

There were also substantial increases in engineering and architectural services, up 231,000 or 68 percent, and accounting, auditing and bookkeeping services, up 131,000 or 64 percent.

Jobs in social services more than doubled in this period, rising by more than 600,000. Health service jobs rose by 2.1 million or 63 percent, and amusement and recreational services rose by 269,000 or 53 percent.

The smallest increase between 1972 and 1981 was in the financial services sector, where employment rose by 1.4 million or 36 percent. Jobs in the securities sector were up 58,000 or 29 percent over the nine-year period, while the number of jobs in the insurance industry was up 342,000, or 25 percent. Banking employment rose by half a million or 46 percent, and credit agencies other than banks added 200,000 jobs, a rise of 52 percent.

In the goods-producing area, by contrast, manufacturing jobs increased by 1,022,000 or 5.3 percent and construction jobs by 287,000 or 7.4 percent over the decade. The exception in this area was mining, in which employment rose by 504,000 or 80.3 percent. This reflected growing dependence on coal as a result of the oil shortages in the 1970's and increased exploration for gas and oil, Mr. Ehrenhalt said.●

NOTICE OF DETERMINATION BY THE SELECT COMMITTEE ON ETHICS

● Mr. WALLOP. Mr. President, it is required by paragraph 4 of rule 35 that I place in the CONGRESSIONAL RECORD this notice of a Senate employee who proposes to participate in a program the principal objective of which is educational, sponsored by a foreign government or a foreign educational or charitable organization involving travel to a foreign country paid for by that foreign government or organization.

The Select Committee on Ethics has received a request for a determination under rule 35 which would permit Mr. Mitch Tyson, legislative assistant to Senator PAUL TSONGAS, to participate in a program sponsored by a foreign educational organization, the Centre for Legislative Exchange, in Ottawa, Canada, on July 22-23, 1982.

The committee has determined that participation by Mr. Tyson in the program in Ottawa, at the expense of the Centre for Legislative Exchange, is in the interest of the Senate and the United States.

The Select Committee on Ethics has received a request for a determination under rule 35 which would permit Ms. Judi Nowottnick, of the staff of Senator DANIEL P. MOYNIHAN, to participate in a program sponsored by a foreign educational organization, the Centre for Legislative Exchange, in Ottawa, Canada, from July 22-23, 1982.

The committee has determined that participation by Ms. Nowottnick in the program in Ottawa, at the expense of the Centre for Legislative Exchange, to discuss effective handling of large volumes of correspondence from the public, is in the interest of the Senate and the United States.●

ORDER FOR PRINTING ADDITIONAL VIEWS OF SENATOR HELMS

Mr. STEVENS. Mr. President, I ask unanimous consent that Senator HELMS' additional views be printed as part II of the report on Senate Joint Resolution 208, with regard to Presidential certifications on conditions in El Salvador.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. STEVENS. Mr. President, I ask unanimous consent that the Senate go into executive session for the purpose of considering nominations on the Executive Calendar commencing with Calendar No. 853 and including Calendar Nos. 853, 854, and 855.

The PRESIDING OFFICER. Is there objection?

Mr. ROBERT C. BYRD. There is no objection.

There being no objection, the Senate proceeded to the consideration of executive business.

The PRESIDING OFFICER. The nominations will be stated.

AIR FORCE

The legislative clerk read the nomination of Maj. Gen. James A. Abrahamson to be lieutenant general.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

FEDERAL MEDIATION AND CONCILIATION SERVICE

The legislative clerk read the nomination of Kay McMurray, of Idaho, to be Federal Mediation and Conciliation Director.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

NATIONAL CREDIT UNION ADMINISTRATION

The legislative clerk read the nomination of Elizabeth Flores Burkhart, of Texas, to be a member of the National Credit Union Administration.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

Mr. STEVENS. Mr. President, I move to reconsider the votes by which the nominations were confirmed.

Mr. ROBERT C. BYRD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. STEVENS. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of these nominations.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. STEVENS. Mr. President, I ask unanimous consent that the Senate return to the consideration of legislative business.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STEVENS. Mr. President, there is a time for convening tomorrow morning; is that correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. STEVENS. Mr. President, I ask unanimous consent that the Senate stand in recess in accordance with the previous order.

There being no objection, at 6:25 p.m., the Senate recessed until Wednesday, July 21, 1982, at 9 a.m.

Executive nominations confirmed by the Senate July 20, 1982:

FEDERAL MEDIATION AND CONCILIATION SERVICE

Kay McMurray, of Idaho, to be Federal Mediation and Conciliation Director.

The above nomination was approved subject to the nominee's commitment to re-

spond to requests to appear and testify before any duly constituted committee of the Senate.

NATIONAL CREDIT UNION ADMINISTRATION

Elizabeth Flores Burkhart, of Texas, to be a Member of the National Credit Union Administration for the remainder of the term expiring April 10, 1985.

IN THE AIR FORCE

The following-named officer under the provisions of title 10, United States Code, section 601, to be assigned to a position of importance and responsibility designated by the President under title 10, United States Code, section 601:

To be lieutenant general

Maj. Gen. James A. Abrahamson, [redacted] FR, U.S. Air Force.